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ABSTRACT

The Minority Mobility Project (MMP) is concerned with personnel policies and practices which impart the utilization and upward mobility of minorities and women. The report details the various policy and analytical research questions raised in the course of a project involving quantitative and qualitative analyses of primary data on personnel practices collected at two large companies. One of the companies had implemented an affirmative action plan, and the other had very low utilization and a long history of not hiring minorities and women in other than clerical positions. The report describes in detail the approach and the analyses used to answer the policy and research questions, relates the findings, and discusses their practical and policy implications. A method for establishing, a priori, the degree of compliance of a firm or industry was developed by simple statistical measurements of parity. Instructions for the computation of population, occupation, and comparative parity measures are presented. (Author/AG)

MINORITY MOBILITY PROJECT

Interim Report

March 1971 - August 1972

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16. Abstract

Two large companies - one having the reputation for a well-developed Affirmative Action Plan and the other for having few minorities - were studied in detail to assess the relationship between upward mobility systems and compliance programs. It was found that: 1) while the presence of an Affirmative Action Plan creates an environment which permits incorporation of minority and females into the existing upward mobility system, the plan itself yielded few direct minority and female placements; 2) increases in upward mobility of minorities and females were traceable to effective skill inventories and to modifications of standard operating procedures, of collectively bargained seniority agreements and preferential layoff systems; 3) given integrated lines of progression and seniority-based bid systems, minorities and female promotions are non-discriminatory. The main cause of the ineffectiveness of the existing Affirmative Action Plan was found to be the fact that they were directed at ill-defined social problems rather than being the result of an analysis of the firms' specific barriers to the upward mobility of minorities and women. A methodology for establishing, a priori, the degree of compliance of a firm or an industry was developed by simple statistical measurements of parity. Instructions for the computation of population, occupation and comparative parity measures are presented; population parity measures for 1966 to 1970 were computed for seven sample companies from among the Fortune 500's first fifty. The sample data show: 1) the ease of reaching overall population parity for minorities; 2) almost no progress in female employment utilization until 1970; 3) a clear-cut upward shift in the occupational utilization of minorities with relative increases in the higher occupational categories and relative decreases in the lower ones. The Report contains detailed observations and recommendations on public policy both as to upward mobility and compliance.

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Affirmative Action Plan
Apprenticeship
Disparate effect
Disparate treatment
Distribution
Employment systems
Ethnic groups
External labor market
Females
Incidence
Internal labor market
Job analysis
Job description
Mobility
Negroes (Blacks)
Parity (population, occupation, comparative)
Personnel management
Personnel selection
Placement
Qualifications
Recruiting
Skilled workers
Systemic discrimination
Technicians
Tests
Upgrading
Unskilled Workers

EEOC - Equal Employment Opportunity Commission
OVP - Office of Voluntary Programs
VPO - Voluntary Programs Officer
OFCC - Office of Federal Contract Compliance
TAD - Technical Assistance Division

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Companies L, H, G, R, S, I - Parity measures

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SUMMARY

SUMMARY

The Minority Mobility Project (MMP) funded by the U.S. Department of Labor, Manpower Administration, is concerned with personnel policies and practices which impact the utilization and upward mobility of minorities and women.

Undertaken as part of a larger effort dealing with the practices and techniques of upward mobility in the industrial setting, MMP focused on the following central objectives:

- to establish an understanding of how "upward mobility approaches" already adopted by employers actually affect the upward mobility of minorities and women;
- to establish whether, and how, the existing upward mobility systems of private employers need to be modified to achieve employment parity for minorities and women;
- to establish approaches to enhancing the role of a federal agency in introducing more effective upward mobility systems into those private sector organizations in which such systems may be required.

The MMP was conducted in cooperation with the Equal Employment Opportunity Commission (EEOC) involving activities in Washington, D.C. and in the field. As a research and development (R&D) activity, the project involved both quantitative and qualitative analyses of primary data on personnel practices collected at two large companies and comparable analyses of such data reported by other companies. In addition, the MMP involved the direct provision of technical assistance to the Office of Voluntary Programs (OVP) of the Commission and the development of techniques designed to expand the capability of employers to increase the utilization and upward mobility of minorities and women.

This report details the various policy and analytical research questions raised in the course of the project; it

describes in detail the approach and the analyses used to answer these questions; it reports upon the findings and discusses their practical and policy implication.

Major Research Questions

A number of research questions evolved in the process of the various R&D activities. Among these, the following centered upon national policy:

- How effective is the linkage between activities aimed at achieving equal employment opportunities and programs dealing with placement, training and upward mobility?
- How are governmental staff resources to deal with the removal of barriers to upward mobility of minorities and women to be developed?
- How are such governmental staff resources to be applied to the delivery of technical support to private industry?
- How are techniques developed in concert with one agency (e.g., EEOC) to be disseminated and transferred to other agencies (e.g., OFCC)?
- How does one measure the progress of the Nation toward the goal of equal employment in terms of the changes in companies, industries, and geographic regions with respect to minority and female utilization?

The major questions concerning analysis of employer practices and procedures were:

- In selecting employees for promotion, which choices are based upon rational employer requirements and which reflect either conscious or unconscious discrimination?
- How flexible and accommodating are existing

occupational structures with respect to the accelerated upward movement of minorities and women?

- How does the absence of a rational upward mobility system within an employing organization affect the utilization of minorities and women in the work force?

- How capable are large employers in formulating and implementing affirmative action plans; how resourceful are personnel staffs in identifying barriers to the upward mobility; how capable are they in spotting personnel practices that have a disparate effect on minorities and women?

The Research Approach and Its Major Findings

Two large companies were identified for detailed analysis. One company (A) had a well known affirmative action plan implemented through a very large number of special programs. It was selected for an analysis of the nature and impact of affirmative action plans as these bear upon the actual placement of minorities and their upward mobility. We found that:

- the affirmative action plan yielded few direct specific minority and female placements;

- programs establishing skill inventories and talent identification mechanisms have the potential of enlarging the minority and female pool that can be tapped for promotion;

- the presence of an affirmative action plan helps create an environmnet which permits a more effective incorporation of minorities and females into the existing upward mobility system;

- the most effective interventions of management to increase upward mobility of minorities

and females are traceable to specific modifications of standard operating procedures, such as introducing changes in collectively bargained seniority arrangments, or requiring that, in the face of work force reductions, Blacks be replaced by Blacks, etc.

The second company (B) was selected for its very low utilization and long history of not hiring minorities and women in other than clerical positions. Here, all personnel policies and practices impacting upward mobility were studied. Company B presented a particularly appropriate vehicle for study as it displayed traditional and well developed promotion practices reinforced by collectively bargained agreements covering all non-exempt categories. We found that:

- given functionally integrated lines of progression and a seniority-based "bid" system, the system operates as well for women and minorities as for other employees;
- neither minorities nor women were blocked by "dead-ended jobs";
- initial placement within given lines of progression was discriminatory in practice, if not in intent;
- there was no upward mobility between and among occupational categories, such as the craftsman category, the clerical category, etc.; mobility was intra-category and not inter-category;
- increases in minority and female utilization were primarily traceable to changes in hiring and placement criteria;
- increases in utilization and faster promotion tracks could be introduced more easily among exempt than non-exempt categories.

The findings derived from the analyses of Companies A and B were supplemented by additional analyses probing more broadly the effect on large employers of governmental efforts (through the OFCC, the EEOC and other agencies) to bring about equal employment opportunities. It was found that

conventional wisdom, which notes that an industry's occupational structure determines the availability of upgrading opportunities, has as its corollary the following:

- the potential for upgrading minorities and women is proportionately greater in "peaked" structures and, conversely, much more limited in flat structures;

- the absence of a well-developed mobility system limits drastically the potential for upgrading minorities, makes for more arbitrary and discriminatory promotion patterns (in the few instances in which they occur), and creates a larger number of dead-ended jobs.

- formally developed mobility systems, even when reinforced by requirements that seniority be given weight in distributing available promotion possibilities, are modifiable through changes in seniority structures, changes in career ladders, and in the interrelationship among job families;

- criteria for hiring and promoting in exempt classifications tend to be neither precise nor specific and do not - in themselves - constitute significant barriers for women and minorities; greater utilization of such employees in the exempt categories is more often a function of employer attitude than one of specific employee qualifications;

- corporate willingness to introduce programs aimed at accelerating upward mobility of minorities and women, varies greatly; it depends upon a serious and visible commitment of senior corporate management, particularly in centralized operations. Furthermore, we have found corporate willingness to decrease "down the line" of authority, where it is viewed by operating management and line supervisors as conflicting with production and profit objectives. Conversely, in large corporations we have found

no evidence that the introduction of equal employment activities is viewed by management as being limited by increases in costs.

The Provision of Technical Assistance

The MMP also involved expanding available know-how in developing and implementing affirmative action plans and programs for use by employers in increasing the utilization and upward mobility of minorities and women. While several governmental agencies are involved in fulfilling the equal employment opportunity goal, the distribution of information concerning how this is to be done - in simple and practical terms - is scanty. Most of the materials provided by governmental agencies on this matter is limited to explanations of the law and administrative orders. Statutory responsibility for the provision of technical assistance is lodged in the EEOC, where the Office of Voluntary Programs (OVP) constitutes the primary vehicle. In such a setting, technical assistance involves the use of techniques for identifying discrimination; the recommendation of ways to eliminate it and, where possible, to compensate for past discrimination by obtaining an agreement from the employer on the introduction of remedies; and by tracking the implementation of remedies.

To increase the OVP's capability in this area, the MMP:

- assisted in the training of Voluntary Programs Officers (VPO's);
- prepared training "packages";
- established closer cooperation and coordination with the OFCC;
- generally expanded the Voluntary Programs Officers' understanding of personnel/manpower practices, particularly in terms of analyses that identify systemic discrimination and in terms of techniques that permit the introduction of upward mobility systems;
- developed a "model agreement" for use as the concluding step in the provision of technical assistance by the OVP.

In addition to the provision of such direct assistance, a technical assistance manual was developed for use by VPO's in dealing with large companies. This manual is now ready for field use and evaluation by VPO's throughout the country.

Interactions with employers by HDC and analysis of their inputs to Commission staff members led to the uncovering of much ambivalence in asking for technical assistance from a compliance-oriented agency. Moreover, there was considerable employer dissatisfaction with a perceived multiplicity of agencies with overlapping jurisdictions and, allegedly, with different requirements.

In addition, it has been found that:

- The great majority of employers do not currently have the capability of constructing a meaningful affirmative action plan. The detailed requirements stated in Revised Order #4 and other similar instruments provides guidance only to the <u>form</u> of an affirmative action plan, not its <u>content</u>.

- Most employers have a limited understanding of and experience with equal employment. Employers do not seem to be able to identify the ways in which they - most often unwittingly - discriminate. Very often mechanisms for worker assessment and selection are unrelated to job requirements; even when they are equally applied, they have discriminatory effects and limit the access of minorities and females to available promotion opportunities.

- Excepting in very large firms that have been developing a pattern of minority recruitment over the years, employers do not know how to tap the available supply of minority and female workers.

- Relatively few employers are abreast of legal and juridical developments in the field of equal employment.

In response to these findings, the MMP developed an Employer Guideline for use by personnel directors, minority

employment specialists, and urban affairs officers of large corporations as a streamlined and systematic guide to all activities involving equal employment opportunity. The Guideline sets forth the functions of the corporate equal employment opportunity office, deals with the preparation of an affirmative action plan, and presents an approach to existing practices that may lead the employer to create - albeit unwittingly - a situation of disparate effect. The Guideline involves the use of data that most large employers generally have on hand and provides practical assistance for developing, implementing, monitoring and evaluating programs with high yield for upward mobility and placements of minorities and women.

An Index of Employment Parity

In order to assess movement toward the goal of equal employment within companies, industries, and geographic regions, the MMP developed an easily applied and simple statistical measure: the Index of Employment Parity. This index compares minority and female representation within a firm with their comparable availability in the external labor market; it permits comparisons among units and among various years in terms of population parity, occupational parity and comparative parity (in which a firm's progress is compared with the average of other "sister" corporations). These measures were applied to a number of sample companies for the period 1966-71. They indicated that:

- minority utilization (population parity) has increased significantly, with a few firms exceeding parity;
- the occupational structure of minorities has improved with many higher occupational categories showing notable movement towards statistical parity;
- there has been almost no improvement in either the utilization or the occupational status of women.

A detailed presentation of the MMP effort will be found in the following sections.

CHAPTER 1

INTRODUCTION

INTRODUCTION

This report presents the results of a research and development (R&D) project concerned with some of the personnel policies and practices of major private corporations which impact the utilization and upward mobility of minorities.

Funded by the U.S. Department of Labor, Manpower Administration, the Minority Mobility Project (MMP) was undertaken as part of a larger R&D effort dealing with mobility and upgrading in the industrial setting. The MMP was conducted in cooperation with the Equal Employment Opportunity Commission (Washington, D.C.), focusing upon the following central objectives:

- to establish an understanding of how "upward mobility approaches" already in operation in private sector organizations actually affect the mobility of minorities and women;

- to determine whether - and how - the existing upward mobility systems operating within private sector companies require modification in order to effect employment parity for minorities and women;

- to explore some approaches to enhancing the role of a federal agency in introducing more effective upward mobility systems into those private sector organizations in which such systems may be required.

The underlying research issues and questions stemming from these central objectives are discussed below.

The Policy Context of the MMP

The current reality of discrimination and underutilization of minorities and women provides the broad context for the MMP. Discriminatory practices based on race, color, sex, religion, and national origin are prohibited by the Civil Rights Act of 1964 and its amendments, as well as by many other federal and state laws. Federal manpower policies are

being geared increasingly toward the achievement of equal employment opportunities. Some progress has been achieved. Yet, more needs to be done in that discrimination and underutilization of minorities and women are still widespread.

This condition is most complex and involves dealing with such issues and problems as:

- effecting a linkage between activities aimed at achieving equal employment opportunities and programs dealing with placement, training and upward mobility;

- the development of governmental staff resources to deal with the removal of barriers to upward mobility of minorities and women;

- the application of such governmental staff resources to the delivery of technical support to private industry;

- the dissemination and transfer of techniques developed in concert with one agency (e.g., EEOC) to other agencies (e.g., OFCC) and the development of standardized approaches and policies for dealing with the assessment and remediation of barriers to upward mobility;

- "measuring" the progress of the Nation toward the goal of equal employment in terms of the changes in companies, industries, and geographic regions with respect to minority and female utilization.

There is, presently, a widespread assumption that the future will see a more rapid rate of reduction in discrimination than has been achieved so far. This is mainly because governmental pressures to create a reality of equal employment opportunities, heightened by the passage of the 1972 amendments to the Civil Rights Act, have created an external motivation - an expressed or implied "big stick" upon the employer - to increase the utilization and upward mobility of minorities. The EEOC has been given the mandate of eliminating unlawful employment practices, the definition of which is:

> ...to fail or refuse to hire, to discharge, or otherwise to discriminate against a

> person with respect to compensation, terms, conditions, or privileges of employment on the basis of sex; to limit, segregate, or classify employees in such a way as to deprive any individual of employment opportunities or otherwise adversely affect the employee's status, on the basis of sex, race...*

This broad definition places the EEOC in the middle of all matters dealing with employment, hence, with all matters of upward mobility. The law's impact on how the job opportunities are distributed rests on active investigation, "Commissioner charges", class action suits, extensive and costly litigation, compliance agreements, and a continued broadcasting and internalization of what the law requires. The leverage upon employer behavior is widened through the work of EEOC's Office of Voluntary Programs (OVP), whose responsibility it is to encourage and assist employers to undertake appropriate actions with respect to minorities and women. The OVP thus becomes the major governmental instrumentality with the responsibility of providing employers with technical guidance for altering their personnel systems.

The work reported upon here sets the stage for considerations of these policy issues, hopefully in a clearer framework and on the basis of a set of applied techniques useful in speeding up the mobility process of minorities and women.

The Analytic Framework of the MMP

It is a fact that minorities and women are underutilized and, particularly in higher order jobs, underrepresented in at least private sector organizations. Apart from the impact of personal attitudes of individuals who exert measures of control on hiring and promotion, the very nature and content of corporate personnel policies and practices operate to favor some and impede others. While, at least in some cases, particular policies and practices may result from conscious acts of discrimination, the vast body of policies and practices may operate in discriminatory fashion without conscious intent to inhibit minorities and women. Thus, any effort to deal

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* Title VII, Sec. 703(a) (1), The Civil Rights Act of 1964 as Amended by Public Law 92 (1972)

with the status of minorities and women in the company must involve a wide, complex range of personnel policies and practices. In this context, the major questions addressed by the MMP include:

- In selecting employees for promotion, which choices are based upon rational employer requirements and which reflect either conscious or unconscious discrimination?

- How flexible and accommodating are existing occupational structures with respect to the accelerated upward movement of minorities and women?

- How does the absence of a rational upward mobility system within an employing organization affect the utilization of minorities and women in the work force?

This R&D project focused upon the large, private, multi-plant, multi-product corporation. Here, removing patterns of discrimination calls for analyzing the totality of an organization's manpower policies and practices. Indeed, what is at stake is establishing minority/female access to "every job", not just "any job". Policies controlling all job placements are involved. Recruitment and selection, transfer and promotion, all determine the level of internal mobility of minorities and women. The Minority Mobility Project is concerned with all of these elements, placing particular emphasis upon the organization's promotion practices.

The body of this report is organized in the following sequence.

Section	Content
Approach	A discussion of the early relationship between EEOC and HDC and the development of project objectives.
The Two Company Analysis	A report on direct field experience with two major companies, including a quantitative overview of their minority and female utilization; an assessment of specific company programs for minorities and females;

Section	Content
	and a summary of specific recommendations made to these companies concerning program improvements.
Employment Parity: Its Measurement and Application	A discussion of the development of a measure of employment parity and its application to a sample of companies operating throughout the United States.
Providing Technical Support to the Office of Voluntary Programs (EEOC)	A report on some of the issues and problems associated with the provision of technical support by the OVP and to large employers in the private sector.
Equal Employment and Upward Mobility	A discussion of some of the generalizations derived from the MMP and a presentation of some of the answers to the research questions posed in that effort.
Public Policy: Observations and Recommendations	A summary of the current status of minorities and women in the marketplace; some general observations about the shape of public policy.

CHAPTER 2

APPROACH

APPROACH

Many agencies have responsibility for fulfilling the national objective of equal employment opportunity. The broadest mandate to do away with unlawful employment practices is embodied in the 1972 amendments to the Civil Rights Act, which gives the EEOC the largest jurisdiction.

As noted earlier, the scope of "unlawful employment practices" in the Act is a broad one. The EEOC's potential pressure upon employers, along with that of other agencies, is applied in terms of the following procedures:

- the filing of data on minority and female utilization, which forces management to look at the statistical facts;

- the requirement that government contractors file an affirmative action plan, which forces management to analyze its utilization of and upgrading practices related to minorities and women;

- the compliance review mechanism, which operates as an inducement for further monitoring of hiring and promotion practices;

- the possibility of EEOC investigations, stemming from either individual, class or "Commissioner's charges," which operates as an additional inducement for employers to assess and review their own personnel structure.

Using the wedge of an "unfair labor practice" thus permits the EEOC to extend compliance requirements originally imposed upon governmental contractors to all employers.

In addition to its concern with a broad range of personnel policies and practices, the Commission is involved in matters of upward mobility. The EEOC thus has considerable potential for influencing the introduction of policies and programs aimed at the achievement of employment parity.

Voluntary Programs

The presumption underlying the importance of voluntary action, with which much of the research activities reported here deals, is a simple one: no legal requirements can become reality unless they are "internalized." Eventually, the employers covered by the law must develop methods to review their own performance and plans for changing and monitoring their own hiring and promotional practices.

The legislative mandate to provide technical assistance to employers states that the Commission shall have power to furnish to persons subject to this title such technical assistance as they may request.* Thus, the OVP, in fact, was given the responsibility to provide support to those employers, by necessity always a majority, not involved in the investigation, litigation or compliance activities conducted by other units of the EEOC. Because of its widespread "clientele" the OVP becomes the major governmental instrumentality with the responsibility of providing guidance as to the technical details of required changes in personnel systems.

Specific Objectives

The broadest purpose of the early EEOC effort was to identify how and where HDC's capabilities and experience in upgrading and upward mobility could assist the operations of the Office of Voluntary Programs. During the first 3-6 months, it was required that the joint activities concentrate upon:

- orienting OVP and HDC staff to respective interests and capabilities;
- identifying the various activities that would be of interest to EEOC, the U.S. Department of Labor and to which HDC's capabilities could contribute;
- evaluating those activities to establish a clear order of priority and selecting

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* Title VII, Sec. 705(g) (3), The Civil Rights Act of 1964 as Amended by Public Law 92 (1972).

one or more of these activities for an intensive analysis.

In the early phase of the project the basic mission of the Commission's technical assistance effort was jointly clarified. It was the OVP's responsibility to provide employers with assistance in the identification, elimination and remediation of discrimination in employment. To carry out this mission, the OVP is required to consider and analyze internal labor market rules which govern the allocation of jobs.

The specific objectives of the MMP were thus established:

- the identification of those personnel practices which inhibit the upward movement of minorities and women within the organization;

- the development of techniques through which to increase the utilization and upward mobility of minorities and women.

The project was structured to produce the following deliverable itmes:

- A Technical Assistance Manual for the use of EEOC's Voluntary Program Officers and, possibly, Compliance Officers of other agencies. The Manual would provide a guide to the identification of discrimination and the presence of affected classes, and the preparation of remediation proposals which would lead employers to develop more rapid ways of upgrading minorities and women.

- An Employer's Guideline, to be used by organizations in the private sector as a Handbook for the preparation of effective programs for upward mobility of minorities and women within the context of the affirmative action approaches.

In summary, the project objectives and deliverable items were viewed as meeting the following criteria:

- they increase EEOC's ability to fulfill its mission in providing technical

guidance in upward mobility systems to the private employer;

- they are related to "multiplying" EEOC's impact in the upgrading area.

Three areas of activities were made part of the project:

- The "two company" analysis: The basic approach towards achieving the project objectives was to work within the "operational units" of two companies. In the first company (Company A), the analysis focused upon the personnel practices and procedures defined by the company as "affirmative actions" meant to facilitate minority and female upward mobility. Such an analysis was concerned with delineating the guidelines for the preparation of corrective actions and procedures. It would also provide data related to the visible quantitative effect of programs and, thereby, begin to establish the relationship between Title VII legislation and upward mobility processes. The choice of Company A was also influenced by its relatively large number of programs.

  In the second company (Company B), the analysis was to concentrate upon the personnel policies, practices and procedures which inhibit the upward mobility of minorities and women. This analysis was to provide the central inputs to the "process model" used to analyze promotional procedures. The "second company" experience was also meant to provide a setting within which effective programs and practices identified and documented at the first company could be reproduced as part of the corrective and compensatory response recommended to the company.

- Sample quantitative measurement: Measurements of occupational parity based on EEO-1 forms were to be applied to a sample

of national corporations, not otherwise analyzed, to obtain a general overview of minority and female utilization in the large national employer universe.

- Providing technical assistance to OVP. The broadest purpose of the HDC/EEOC effort was to identify how and where HDC's capabilities and experience in upward mobility approaches could be used to develop a more technically viable OVP.

CHAPTER 3

THE TWO COMPANY ANALYSIS

THE TWO COMPANY ANALYSIS

A major manufacturing corporation, which had set forth a detailed plan of affirmative action for accelerating the upward mobility of minorities, was selected as "Company A". At the time, this company was only beginning to concentrate on the issue of underutilization of women. Therefore, the Company A effort concentrated only on minority upward mobility. In view of the high visibility the Company had given its affirmative action work, we encountered maximum access and cooperation at both headquarters and in the field. Data were collected and analyzed for sixteen operational plants in different parts of the country and consisted of the following:

- occupational participation and distribution of minorities by job categories (EEO-1 data);
- minority applicant flow;
- minority hire, promotion and termination rates;
- affirmative action policies, programs and practices conducted at each location.

The collected data and the corporation's composite EEO-1 form permitted a quantitative overview of the minority employment profile of about one-third of the corporation. Five facilities, with an aggregate employee population of more than 30,000, were selected for detailed study.

Each activity and practice identified as representing a local form of affirmative action was documented as follows:

- objective: description of what the program or practice was designed to accomplish;
- rationale: company perception of the problem or need which led to the establishment of the program or practice;
- decision points: those points within a

set of steps, procedures, or actions at which a selection decision is made for upgrading;

- decision inputs: the criteria which are used to make selection decisions;

- decision outputs: the visible effect of programs, quantitatively expressed.

The documentation was obtained through interviews, observation and the analysis of company procedural manuals and statements.

The set of qualitative and quantitative findings making up the EEOC recommendations were submitted to DOL earlier.

Prior to and independent of the MMP, the Equal Employment Opportunity Commission had identified the public utility industry as a large and important sub-sector of the private economy with systemic discriminatory characteristics. Here, the immediate goal of providing technical assistance was integrated into a larger effort aimed at changing the total industry's minority and female utilization pattern. A number of large utilities were jointly identified as possible vehicles in which the OVP and HDC would provide technical assistance on an experimental basis. Agreement was reached with one of these and it was selected as Company B.

The task and purpose of HDC's work in Company A differed from that in Company B. In Company B, rather than studying primarily the impact of affirmative action plans and programs, the emphasis was placed upon the analysis of personnel policies, practices and procedures which inhibit the upward mobility of minorities and women. Since Company B had a well-delineated mobility system, it was viewed as having great potential as a case study of how existing seniority systems need to be modified to assure greater equality in the distribution of available promotions.

In terms of the provision of technical assistance, the effort at Company B was viewed as providing the setting for:

- the training of the OVP field technical assistance staff in one region;

- the development of a model "voluntary agreement" replicable in other situations;

- the collection of inputs in the development of the OVP technical assistance manual;

- the provision of preliminary inputs in the development of the "employer guidelines."

The work at Company B was viewed as leading to:

- "findings of fact" concerning the company's personnel policies and practices as they affect the upward mobility of minorities and women; these, where necessary, to specifically describe situations of discrimination, the presence of an "affected class", as well as of inefficient personnel practices;

- recommendations to be used in establishing a written agreement, covering remedial activities, between the company and the EEOC.

These recommendations were to include specific actions to facilitate the upward mobility of minorities and women drawn, where appropriate, from the experience and analysis of Company A.

Company A Analysis

The Company

The company currently employs upwards of 325,000 workers. Its aggregate employment has been growing at a rate of more than 2% per year, and there is every expectation that it will continue to do so. About 27,000 or a little less than 9% of its employees are minorities. Its minority employment has been expanding by as much as 1/3 or more in each of the last four years. The occupational distribution of minorities (see Table 1) shows the traditional pattern of underutilization of minorities in the higher occupational categories.

In the sixteen units/locations for which detailed data were collected, the incidence of minority employment ranges from a high of 40% to a low of 2% (see Table 2). Three of the five units employing more than 10,000 employees have a very low incidence but these units are located in labor market areas in which minority representation is also low - ranging from 2% to 3½%. When the seven units employing between 1,000 and 3,000 people are isolated, one finds that in this employment size range, the larger the unit, the lower the incidence of minority employment.

In four locations minority representation is significantly higher than in the labor market; in four it is lower; in most locations it is about equal.

In thirteen units, minority hires as a proportion of total hires were, in 1970, almost twice as large as the proportion of minority employees. In seven of these units, minority applications as a percentage of all applications for employment are higher than minority representation in the local labor market. Data on termination of minorities as a percentage of all terminations show them to be proportionate to minority employment incidence.

In fifteen units, minority promotions were calculated as percentages of all promotions. They show that in nine locations the percentage of minority promotions exceeds minority representation in the plant; in five cases it is approximately equal; in only one case was it found to be smaller.

Table 1

Company A

Company-Wide Occupational Distribution

1970

All Employees and Minorities

	All Employees (100%)	Minorities (100%)
Officials & Managers	7.8%	1.1%
Professionals	16.3%	5.0%
Technicians	5.9%	3.1%
Sales Workers	2.0%	0.4%
Office and Clerical	13.3%	9.3%
Craftsmen	17.7%	11.8%
Semi-skilled	29.7%	53.9%
Laborers	6.3%	12.7%
Service Workers	1.0%	2.7%

Source: Composite EEO-1 Data

Table 2

Company A

Fourteen Unit/Locations

Comparison of Minority Employment
in the Unit and in the Local Labor Market

Location	Percent Minority in Unit	Percent Minority in Labor Market
A	10.0%	10.4%
B	14.0%	13.0%
C	16.0%	17.0%
D	5.0%	2.6%
E	4.1%	3.6%
F	24.0%	14.7%
G	4.0%	5.0%
H	8.0%	15.0%
I	5.0%	5.9%
J	8.0%	17.6%
K	2.0%	3.2%
L	8.0%	18.0%
M	5.0%	3.6%
N	1.7%	1.5%
O	40.0%	31.0%

Source: Plant EEO-1 Data
Various local statistics

The Five Locations Studied in Detail

The five locations studied in detail represent an aggregate employment of over 30,000 employees, almost 3,000 of these being minorities. In four of these locations, aggregate minority representation is significantly larger than its proportion in the labor market as defined by available SMSA statistics. Available data on applications indicate that the company here attracts minority applicants and hires them at rates significantly larger than their representation in the labor market (see Table 3). In one location, an installation involving over 7,300 workers and over 1,100 minorities, data on hires over the last five years prior show a high rate of minority hires even in the absence of plant employment expansion.

Data on promotions or upgrades, although incomplete, show minorities promoted at rates larger than their representation in the identified categories (see Table 4). In one location, promotions data for the previous five years showed that, year after year, minorities accounted for an increasing proportion of promotions.

The quantitative overview - noting carefully that the actual numbers, particularly in the exempt categories, are small and that specific status, job conditions and wages were not analyzed - suggests a pattern of notable increases in minority employment, penetration and occupational status.

Assessment of a Sample of Affirmative Action Programs

A qualitative assessment of nineteen separate affirmative action programs at the five locations was carried out through field visits, interviews and data analysis. The assessments yielded the following highlights:

- Programmatically and operationally, the five locations do not sufficiently emphasize the identification and utilization of minority candidate sources.

- The company's attempts at modifying selection criteria aim to widen the pool of minority candidates to be considered by managers for hire or promotion. They do

Table 3

Company A

Minority Applications, Hires, Terminations
4 Locations
1970

	Minority as a % of Labor Market	Minority as a % of Job Applicants	Number of Minorities Hired	Minority as a % of all Hires	Minority Removals as a % of all Removals
	%	%	#	%	%
Location B	13.5	24.2	125	20.2	16.1
Location D	2.6	9.1	116	41.6	6.9
Location E	3.6	6.9	112	8.01	N/A
Location C	17.1	15.9	72	26.0	26.3
Exempt	--	N/A	22	19.0	17.3
Salaried	--	N/A	3	5.3	26.9
Hourly	--	N/A	47	43.1	27.3

Source: Company Statistics

Table 4

Company A

Minority Promotion Patterns
5 Locations
1970

Locations / Categories	A				B				C				D				E			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Exempt	2.9	3.1	4.1	4.3	8.4	47.8	10.9	42.7	4.9	3.4	8.5	5.9	--	--	--	--	2.0	--	--	--
Salaried	5.7	4.5	8.5	6.6	15.5	16.3	18.0	18.9	12.8	9.1	13.9	9.9	--	--	--	--	2.0	--	--	--
Hourly	17.4	1.7	16.5	1.6	33.8	32.8	41.3	55.6	20.0	8.1	24.7	9.9	--	--	--	--	5.0	--	--	--
Total	9.4	2.8	8.6	2.5	14.2	30.0	18.7	40.0	15.9	7.4	20.9	9.7	5.1	9.7	6.1	11.6	4.1	--	--	--

1 = minority as a % of all employees
2 = promotion as a % of all employees
3 = minority as a % of all promotions
4 = minority promotions as a % of minorities

so, yet the final selection decisions are made within a complex interview process assessing "technical competency, articulateness, maturity, risk-taking initiative, aggressiveness and demeanor." Thus, there is no mechanism which gives on-the-job placement priority to those minorities who meet modified criteria required.

- Many of the programs surveyed emphasize the substitution of training for work experience and educational achievement as selection criteria. Minorities tend to fill identifiable training positions. No emphasis is placed upon the managerial and professional job categories in which minorities are most underutilized. The programs tend to offer a wide variety of courses in technical skills and general education and apply to no specific job classification. They produce few actual placements.

- Skill inventory systems fall within the equal application category of affirmative action. A common characteristic shared by all of these programs is that each utilizes a different set of prerequisites in making a selection for any specific job position. There was no evidence that the company applied any available techniques to relate the actual requirements of the job to the established prerequisites. It was found that although the inventory system assures the application of identical criteria to minorities, they could, nevertheless, and on occasion did, institutionalize exaggerated prerequisites which are drawn from the subjective judgements made by employment specialists and supervisors.

Findings and Recommendations as to Company A

1. Programs viewed by Company A as implementing upward mobility aspects of its affirmative action programs and as geared to reducing minority underutilization in the

managerial, professional, technical and skilled craftsmen categories were found inefficient in terms of a qualitative and quantitative response to such underutilization.

To remedy such inefficiency, it was recommended that Company A review the extent of minority movement from non-exempt to exempt category and the incidence of promotion to higher rated positions within any job category. It was also recommended that Company A:

- establish EEO goals and timetables based on the assumption that the incidence of qualified minorities in the labor market is such that parity in each occupational category is realizable;

- identify, for immediate minority placement, those higher rated jobs in each line of progression where company experience or longevity is not a valid requirement for placement.

2. The overall corporate affirmative action plan appears to have created more of a simulation of compliance rather than a broadly integrated reality of managerial decisions embodied in a framework of compensatory activities. This is traceable to:

   - an excessively large number of activities creating the "image" rather than the reality of affirmative action. Compared to the numbers of significant minority promotions, too much emphasis seems to be placed on the giving of speeches, the announcements of scholarships for minorities, etc.;

   - statements about affirmative action seem excessively weighted by modifying clauses such as "...to the extent possible...", "...wherever feasible", etc.;

   - affirmative action activities appear weakened by the fact that they are viewed in the diffuse context of the company's social responsibility for the future of the Nation;

- the fact that while operating management is held responsible for the attainment of its own equal employment opportunity targets, how this responsibility is integrated with managerial responsibility in other areas is not specified;

- the goal setting process at the operating component level, instead of being a "scientific" analysis of the relationship between business needs and minority availability, appears to be primarily a carry-over of the traditional experience of the organization in employing and promoting minorities.

To establish an environment more in line with the reality of affirmative action, it was recommended that Company A:

- determine the extent to which the corporate commitment to progress in equal opportunity and minority relations, detailed in the publicized corporate affirmative action documents, has established an organizational willingness to which local managers respond positively;

- determine the extent to which the measurement/evaluation of managerial EEO performance is motivating management to take direct actions with regard to the hiring and promotion activities of interviewers, recruiters, placement specialists and line supervisors.

3. The affirmative action program was found to be strengthened by specific and pinpointed ad hoc intervention-type activities that directly affect the hiring, promotion and retention of minorities. These are neither documented in written affirmative action plans nor part of the formal procedures which the company normally uses to manage its work force. Such intervention activities tend to embody compensatory aspects of the equal employment opportunity philosophy. They are exemplified by the following activities:

   - directives to unit managers requiring them

to insure a significant representation of non-exempt salaried minorities among those who are designated as "critical" through a formal Critical Talent Identifcation Procedure;

- renegotiation of collective bargaining agreements - in the face of work force reduction - to remove from the "bumping" line a department primarily composed of minorities; (The company also indicated, however, that whites probably would not have "bumped" into the minority department in view of the facts that the minority job wages were lower and work was available outside the company.)

- personnel specialists applying "subtle pressures" to those responsible for hiring to reinforce affirmative action commitments;

- requiring that Blacks removed for lack of work be replaced by other Blacks; insisting that efforts to hire qualified minorities continue irrespective of work force reductions.

It was found that in Company A formal affirmative action programs - even when supported by an apparently sincere set of corporate pronouncements - tend to create soft or "cosmetic" activities more effective in setting a climate than in yielding significant placements. Placements seem to flow from more direct, harder activities.

Thus, in Company A there seems to be significant upward movement of minorities which is not directly traceable to affirmative action programs. On the other hand, there is evidence to suggest that the climate set by the very presence of an affirmative action plan may enhance minority mobility in terms of greater incorporation into the existing upward mobility systems, rooted in established personnel regulations and collectively bargained agreements.

Company B Analysis

The Company

Company B currently employs upward of 20,000 workers. Its aggregate employment has been relatively stable, growing at a rate of about one per cent (1%) per year. There is every expectation that it will continue to do so. For many years, in its long corporate history, Company B hired primarily white males. In the seven (7) years since 1966 - clearly in response to the governmental requirement to implement policies aimed at achieving employment parity - minority employees, as a percentage of total company employment, moved from 5.7% to 14.8%. Minority employment thus has been expanding by about one-fifth each year.

In all categories, minority and female representation in Company B is less than their representation in the area. Company B is far from population parity in its minority and female representation, when compared with that of other companies in the region. Parity is nowhere within reach for Company B.

The current occupational distribution of minorities (see Table 5) shows the traditional pattern of underutilization in the higher occupational categories.

The division analyzed in detail employs just a little more than 2,000 workers. Of this total, women account for about 9.5%. Minorities account for a total of almost 17%. Minority representation is distributed as follows: Spanish-surnamed Americans represent 7.5%; Blacks, 6.7%; Orientals, 2.2%; and American Indians, 5%. Except for American Indians, the division's minority representation is much smaller than the area's population.

In the division, as in the Company as a whole, the pattern of new hires shows significant increases in the rates at which all minorities - but not females - are being hired. These rates of new hires have been well above population parity.

The occupational distribution of females in the division shows that all but three (3) women workers are employed in the office and clerical category. Minority employees are heavily concentrated in the operatives category (see Table 6).

Table 5

Company B

Company-Wide Occupational Distribution - 1972

All Employees and Minorities, Females and Female Minorities

	All Employees (100%)	Minorities (100%)	Females (100%)	Female Minorities (100%)
Officials and Managers	7.9%	2.4%	0.9%	0.5%
Professionals	9.7%	6.9%	3.4%	1.9%
Technicians	6.9%	6.4%	1.5%	1.4%
Sales Workers	1.0%	0.4%	0.6%	0.3%
Office and Clerical	20.5%	29.1%	92.5%	95.7%
Craftsmen	30.1%	19.6%	-	-
Operatives	23.1%	33.9%	0.1%	-
Laborers	0.4%	0.4%	-	-
Service Workers	0.4%	0.9%	1.0%	0.2%

Source: Composite EEO-1 Data

Table 6

Company B

Division Occupational Distribution - 1972

All Employees and Minorities, Females and Minority Female

	All Employees (100%)	Minorities (100%)	Females (100%)	Female Minorities (100%)
Officials and Managers	7.4%	1.1%	-	-
Professionals	4.1%	1.1%	0.5%	-
Technicians	6.2%	6.8%	0.5%	-
Sales Workers	0.8%	0.3%	0.5%	-
Office and Clerical	18.6%	26.2%	98.5%	100%
Craftsmen	34.4%	20.0%	-	-
Operatives	28.3%	43.9%	-	-
Laborers	0.2%	0.6%	-	-
Service Workers	-	-	-	-

Source: Plant EEO-1 Data

Investigative Activities

Jointly with the OVP technical assistance staff of the region, the following areas/subjects were analyzed:

- procedures, rules and criteria governing the placement function related to all job classifications in all occupational levels;
- Affirmative Action plan;
- labor market demographics;
- employee race and sex distributions (total employee population).

The investigative activities evolved through a series of experimental steps and consisted primarily of the analysis of personnel/employment data (narrative and statistical), interviewing selected company personnel, and observations at work locations.

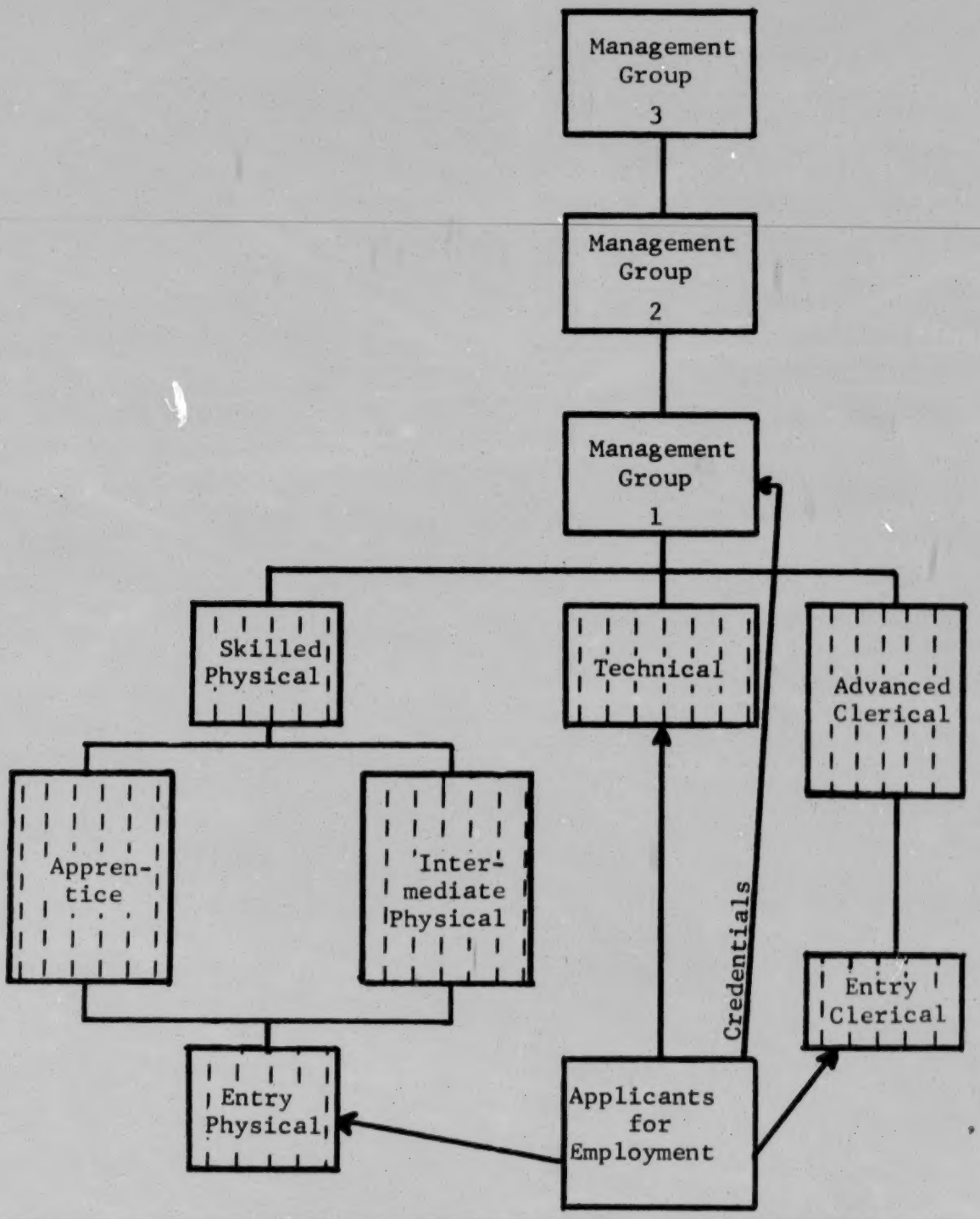
The Hiring and Mobility Practices of Company B

Workers are hired by Company B almost exclusively into four (4) separate entry categories. As the company adheres rather strictly to an overall policy of "promotions from within", it is from these entry points that workers move to more advanced categories. Figure 1 shows diagrammatically the upward mobility paths of the company. Inasmuch as one of the entry categories into which applicants are hired is Management Group 1 - and only credentialed professionals are hired for this group - there is little movement into management from the physical, technical, or clerical categories.

Well-defined lines of progression reflecting functional requirements of the company exist within each of the four (4) broad categories. Within the existing lines of progression, the various job classifications, particularly in the physical group, appear to constitute an effectively organized set of jobs, each clearly linked to the next higher. This makes for easy upward mobility, requiring a minimum of off-line training, occasionally supplemented by formal apprenticeship arrangements.

Figure 1

Company B Upward Mobility Chart



Note: Arrows show jobs into which applicants are normally hired. Broken lines (⁞) represent specific lines of progression within each major category, each line representing a specific line of movement following from an initial assignment.

All physical, technical, and clerical classifications and personnel are covered by a variety of collective bargaining agreements. These establish clear-cut and well understood procedures for seniority-based promotions involving - in the physical and clerical categories - posting and bidding.

The result is a very high and direct correlation between many years of seniority and residency in the higher job classifications. In almost no case was a person with lower seniority found in a higher occupational classification (where such a situation was found to exist, it was analyzed in detail and found not to reflect "unwarranted bypassing" of legitimate candidates). The investigation yielded no entry-level classifications which did not lead to a set of higher-rated, more complex classifications. In one division of Company B, approximately 25 separate lines of progression were identified, each line being viewed as a specific career path by the company.

The primary criterion for movement up a line of progression is classification seniority. Employee performance and/or qualifications which are comparatively superior do not influence selection for promotion.

The bulk of the underutilization of minorities and women and the higher job classifications within the various lines of progression is thus traceable, primarily, to the simple fact that Company B had hired almost no minorities or women prior to 1966. An analysis of the record of the results of job vacancy bids in one division thus indicated that most promotions go to workers hired prior to 1968; the roster of all employees organized by seniority and race indicated that minorities make up less than one out of eight employed workers with more than six years seniority. The tenure of supervisory employees of the division studied ranged from a minimum of 13 to a maximum of 44 years with the median seniority being 26 years.

The company's promotion procedures eventually will enable minorities and women to compete for those few promotion possibilities that exist. Once hiring and placement barriers are removed, minorities and women should move upward without disparate difficulties.

Outreach, selection and placement processes for women all contain elements which operate as barriers to the employment of women in the physical categories.

- Company communication with the external labor market, primarily advertisements, tend to be oriented toward the male population. Advertisements for physical jobs are displayed on sports pages and make reference to traditionally male leisure-time activities, such as hunting. Advertisements for "general" classifications contain the phrase "men and women"; however, advertisements for the lineman classification, a physical job, contain the phrase "equal opportunity employer".

- Women who are not informed about options for entry-level placement cannot exercise choices. Employment interviewers function within a context of male perceptions concerning the traditional work-role of women. In not considering women for physical job openings, interviewers do not inform them about vacancies.

- Although they are not described in terms of standard, documented personnel practice, the company in fact applies physical criteria in selecting applicants for the physical classifications, even though no relationship exists between observed physical traits and job requirements.

- Two pre-employment test batteries are used within the selection process: one is for physical and technician jobs and the other is for clerical. Minimum scores are criteria for placement. Men are given the opportunity to take both test batteries. Women take only the clerical test battery and thereby are not considered for physical or technical job placement.

Similarly, the process of job placement within the physical job classification leads to a disproportionate incidence of Blacks and Spanish-surnamed Americans in less desirable lines of progression. Once the worker is so placed, the existing collective bargaining agreement, in its stress on seniority, reinforces the discriminatory placement. This is

evidenced by the fact that in bidding for promotion to another line of progression, the employee falls lower in the seniority preferential sequence through which vacancies are filled. Other similar discriminatory effects were found to exist throughout the company in spite of an apparently neutral promotion system.

The Affirmative Action Program

The basic company posture on the participation and distribution of minorities and women consists of increased hiring in the entry-level classifications, a program of validation of their employment tests, the reduction of the passing scores on these tests, and auditing of minority and female movement through the specific classifications within each occupational level.

This is evidenced by statements of EEO policy as well as EEO programmatic objectives and activities. The Company's "...thrust in affirmative action has been to recruit minorities and women, to hire them in entry-level, good paying jobs, and to teach them the skills needed to perform those jobs and advance to better jobs. Continuous progress has been made in achieving the upward mobility of minorities and women through these efforts."

To the extent that the EEO function shares and maintains such a posture, it fails in its responsibilities to inform the company about those policies and practices which deny minorities and women equal employment opportunity, and to recommend specific courses of action to increase minority and female participation and distribution. Indeed, the failure of the EEO's internal function is underlined by their lack of awareness of the various forms and instances of discrimination described above.

The goal-setting mechanism for the company affirmative action plan does not consider comparative incidences, as influenced by population representation. Currently, it is limited largely to estimates of the number of minorities who are to become eligible for promotion because of attrition or expansion. The minorities targeted for promotion would have been promotoed whether goals were set or not, assuming the continued non-discriminatory application of seniority based internal allocative rules.

The company affirmative action plan did not contain detailed descriptions of action-oriented programs which meet the above-stated criteria. The total plan is much more a reflection of the company's intent to allow the present set of rules governing job selection to make its influence felt upon minorities and women. However, some of these rules have been shown to be discriminatory; and even when they are not discriminatory, the company's acceptance of their assumed, eventual effect does not respond to the need for deviating from the usual pattern of practice.

A set of specific recommendations for changes in placement procedures, inclusive of specific goals setting forth an incidence of minority and female employment in a number of lines of progression, were submitted to Company B. (See section on Providing Technical Support to the Office of Voluntary Programs.)

Findings Derived from the Work in Company B

1. The upward mobility systems that determine how Company B transfers and promotes non-exempt employees possesses characteristics similar to theoretical models designed in our R&D efforts. Examples of such characteristics are functional relationships among jobs within given "career paths", and the maximizing of on-the-job training. The system, in its structure, operates as well for women and minorities as for other employees.

2. The Company rarely views upward mobility in terms of employee movement out of and across levels of occupations; upward mobility thus turns out to be movement within the craftsman category, movement within the clerical category, movement within the professional category, etc. Within such categories, there are no "dead-ended" jobs. Neither minorities nor females are barred from moving upward within blue collar or clerical jobs by the existing mobility system.

3. Greater minority and female utilization - as contrasted to increased rates of upward movement - can best be achieved by changes in hiring procedures and by changing the process which determines how a worker is originally placed in a given line of progression.

4. It is unprofitable - given the company's long tradition, value orientation and procedures - to think of ways of accelerating the rate at which current minority employees (or any employee) move into professional or managerial positions. As indicated earlier, the non-exempt employee, regardless of race or sex, has little probability of becoming a professional or a manager. The needed changes of structure to achieve such movement are not easily amenable to manipulation of job content or training programs. Much more can be achieved through direct external hiring of minorities and women in the exempt categories supplemented by internship-type programs and accelerated promotions within non-exempt categories. The latter are possible because collective bargaining restrictions are not involved.

5. Company B's affirmative action plans are directed primarily to changes in hiring practices. These will eventually increase overall minority and female utilization in higher rated jobs without accelerating the rate of their upward mobility as it is regulated primarily by seniority and attrition.

Conclusions: Minority and Female Mobility in the Two Company Analysis

From the work carried out in Companies A and B, we can conclude the following as far as minority and female mobility and utilization.

1. Affirmative Action Programs tend to contribute very little to increasing the upward mobility of minorities and females. Such programs create soft or "cosmetic" activities that may yield a climate in which other forms of management intervention are more successful in assuring a more equitable distribution of promotional opportunities. The programs themselves are inefficient in offsetting underutilization of minorities and females.

2. Where upward mobility systems exist and when these are reinforced by collectively bargained agreements and job bidding/promotion procedures, they operate as well for women and minorities as for other employees. Such systems do not necessarily exclude discrimination in hiring and placement nor, in their emphasis on seniority, do they help compensate for earlier discrimination.

3. Existing mobility systems can be modified by management to accelerate the upward mobility of minorities and females within broad occupational grouping. In agreement with the union, management can modify the seniority systems to protect minorities in the face of work reductions, or, management can - when these are barriers to upward mobility - encourage changes in apprenticeship entry requirements. Management can also encourage changes in existing contractual agreements that limit the possibility of transfers across lines of progression.

4. Minority and female underutilization is most frequently traceable to the criteria used by managements in job placement. Very frequently, criteria applied to the placement of new or existing employees, while fairly administered, turn out to be barriers to minority and female employment even though such criteria have little to do with the requirements of the job.

5. Upward mobility of minorities and women takes place only within broad occupational groupings - within the craftsman category, within the clerical area, etc. - and never involves movement between such groupings.

6. Both the utilization and mobility of minorities and women can be accelerated more easily among the "exempt"/ salaried categories. In such positions, job requirements are less precise, collective bargaining restrictions less of an issue.

7. No cases of skill shortages remediable by training were found to account for significant degrees of reduced mobility or underutilization of minorities and females.

CHAPTER 4

EMPLOYMENT PARITY: ITS MEASUREMENT AND APPLICATION

EMPLOYMENT PARITY: ITS MEASUREMENT AND APPLICATION

Two basic measures of minority and female employment are at the heart of achieving equal employment parity. These are (1) "penetration rates" that show the extent to which minorities and women share in the employment opportunities of a company, area or industry and (2) measures of "occupational status" that show their relative occupational distribution. In this section, the rationale for and development of parity measures are presented; these measures are then applied to a set of sample companies.

Employment Parity as the Policy Goal

In dealing with matters of discrimination, the courts have always looked at the overall pattern of employer conduct. As part of the pattern, they have looked at the minority and female composition of the work force of the employer and compared it to the population distribution of minorities and women in the area from which the employer draws his work force.* Marked occupational disparities in the use of minorities and women have been viewed as *prima facie* evidence of discrimination. On the other hand, employment parity is generally viewed as standing for the opposite condition, even though it has not been defined in quantitative terms as yet. Generally, the term is used to describe a situation in which minorities and women are treated fairly; it represents, by implication, the fulfillment of the policy goal of equal employment opportunities which forms a basis for the work of the EEOC, the OFCC and other federal and state agencies.

The achievement of the policy goals can thus be measured in a variety of methods, all of which imply comparison between utilization of minorities and women by the employer (*i.e.*, within the internal labor market) and their availability in the area from which the employer draws his work force.

Measures of Proportional Employment Parity. Expressing the number of minorities and women employed in percentage

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* cfr. U.S. v. Sheetmetal Workers Local 36, 280 F Supp. 719 and Proham v. Southern Bell Telephone, 423 F. 421.

terms itself measures employment disparity. Such a percentage shows the "penetration" of a group into a given company.

Comparisons with their availability in the external labor market makes for an explicit measurement which can be set against a goal of parity. In the measurements developed here (see Appendix A for a description of technical aspects) a value of 100 represents the striven-for proportionality in employment between the two markets. Values of less than 100 indicate underutilization (e.g., 67 indicates a situation in which the minorities or females hired represent one third of those available in the labor market). Total discrimination is represented by a value of 0. It describes a situation in which no minorities/women are found in the internal labor market even though they are available in the external labor market. Values above 100 indicate situations in which more minorities and women are present in the internal market than in comparable external categories.

Any index of employment parity can be applied to obtain three different measures of minority and female utilization: a) a measure of population parity; b) a measure of comparative parity; and c) a standardized measure of occupational parity.

Each measure has its own purpose and can be used jointly or separately. Population parity is the grossest measure which employers generally have little difficulty achieving. There is always some kind of job in which a woman or a minority employee can be placed even though there may be problems in slotting women and minorities in other jobs that may require high levels of specialization. Comparative parity measures the progress in utilization within a given company relative to "sister" companies in the same area. This measure is related to availability of minorities/women in the market as it, by implication, shows what other companies have been able to do. Occupational parity represents the most detailed approach and measures achievements across occupational categories.

The coefficient that has been developed has the advantage of spelling out in a precise sense what parity means in operational terms. Furthermore, the index is structured to permit comparisons among different industries, companies, occupations and years. It is, therefore, suggested as an effective way of assessing the movement towards the policy goals for the Nation as a whole as well as for individual companies.

The achievement of conditions of measurable employment parity cannot be viewed as the complete proof of equal employment opportunities; nor is it necessarily an indication of compliance; nor would one argue that the policy goal is achieved by a precise measure carried to three decimal places. Its main use is as a tool which permits recognition that equal employment opportunity is being approached when the incidence of minorities and women available for employment is matched by their representation in the employing units.

Applications of Parity Measurements

Available composite EEO-1 reports were surveyed to obtain a sample of companies to which parity measurements were applied. This was done to test the usefulness of the measurement instruments as well as to obtain an additional evaluation of minority and female utilization in the industrial setting. The sample companies were drawn from different industries, have different products, sell in different markets and have different production functions. Their plants are spread throughout the Nation. All employ more than 100,000 employees; all move some of their technical, professional and managerial employees among their various plant and office locations; and all are among the Fortune "500".

Given such characteristics, national data on the availability of minorities and women were considered - as a first approximation - as appropriate measures of the companies' external labor markets.

The measure of population parity for minorities and females between 1966 and 1970 of seven (7) companies is shown in Table 7. The table shows that these sample companies - as is the case for the Nation as a whole - hire more minority workers now than in the past. The increases are small but regular and almost uninterrupted by changes in business conditions.

Population parity for minorities as a group is clearly a feasible goal. Indeed Table 7 shows that each company has, in spite of small increases in the representation of minorities in the external labor market, hired an increasing proportion thereof without apparent stress. The companies that are still below parity (S,A,U) show a very rapid movement

TABLE NO. 7

Population Parity - 7 Sample Companies - 1966-1970

Population Parity Index	1970		1969		1968		1967		1966	
	Min.	Wom.	Min.	Wom.	Min.	Wom.	Min.	Wom.	Min.	Wom.
Company S	95	92	87	94	88	110	74	94	68	101
Company R	191	73	222	63	190	56	154	40	167	38
Company A	81	74	69	73	-	-	-	-	46	80
Company L	161	12	153	11	146	11	142	10	139	11
Company G	235	27	253	27	240	27	239	25	-	-
Company H	193	17	198	16	178	17	-	-	157	17
Company U	76	43	66	44	58	44	-	-	53	42

towards parity which can be interpreted as the employers' response to governmental and social pressure. Companies whose minority utilization measures are way above parity (particulary G and H) have both a large proportion of total employment in the blue collar categories as well as a history of employing Blacks that goes back to the late 1940's.

The table shows almost no progress in the movement towards improvement in female employment utilization. Where female utilization has taken place the movement is minute and very recent.

The national occupational distribution of employed non-Whites over the last five (5) years, viewed in terms of traditional occupational categories, shows a clear-cut upward shift, with the higher categories showing an increased minority employment incidence and the lower categories,a decrease (see Table 8).

Measures of minority and female occupational parity for the seven (7) sample companies are reproduced in Figures 2 to 7. These, in the almost uniform upward orientation of their lines, show the movement toward parity of minorities in various occupations which the national statistics on the occupational distribution of minorities also suggest. Parity is clearly not "around the corner" either for officials and managers or for the professional and technical categories; still, the marked improvement of, for example, Company G and Company R indicate that here, too, in at least a simple quantitative sense, the policy goals are achievable.

A large proportion of the upward shift of minorities in the craftsman and operatives categories (Figures 6 and 7) reflects, for most cases, internal upward mobility. On the other hand increased utilization of minorities among the officials and managers and the professional and technical categories (Figures 2 and 3) are probably due to aggressive recruitment of minorities which appear to have increased even more rapidly than the external labor market representation of minorities in these categories.

The national occupational distribution of employed women (Table 9) of recent years does not show the clearcut upward shift displayed by minorities. Contrariwise, the larger increases in labor force participation of women among service workers and in clerical occupations suggest the possibility

TABLE 8

Occupational Distribution of
Minority Males 1959, 1965-1970*

Operation Group	1970	1969	1968	1967	1966	1965	1959
All occupation groups:							
Number (thousands)	4803	4770	3467	4646	3288	4406	3972
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Professional, technical	7.8	7.0	6.6	6.2	5.8	5.7	3.6
Managers, officials	4.7	4.2	3.6	3.4	3.4	3.4	2.8
Clerical	7.4	7.6	7.1	7.3	6.7	5.7	5.1
Salesworkers	1.8	1.8	1.7	1.5	1.7	1.6	1.2
Craftsmen	13.8	14.2	13.4	12.8	12.6	11.1	9.5
Operatives	28.3	28.2	28.2	28.1	27.5	26.4	23.8
Service workers	12.8	13.2	14.2	14.7	15.3	15.1	14.1
Laborers	17.5	17.8	18.1	18.8	19.6	21.0	25.1

* BLS, Handbook of Labor Statistics, 1971

TABLE 9

Major Occupation Groups of
Employed Women, 1940, 1950, 1968*

(women 14 years of age and over)

Major occupation group	Percent Distribution			As percent of total employed		
	1968	1950	1940	1968	1950	1940
Total	100.0	100.0	100.0	36.6	29.3	25.9
Professional, technical workers	14.4	10.8	13.2	38.6	41.8	45.4
Managers, officials, proprietors (except farm)	4.3	5.5	3.8	15.7	14.8	11.7
Clerical workers	33.3	26.4	21.2	72.6	59.3	52.6
Sales workers	6.8	8.8	7.0	39.7	39.0	27.9
Craftsmen, foremen	1.1	1.1	.9	3.3	2.4	2.1
Operatives	14.8	18.7	18.4	29.9	26.9	25.7
Nonfarm laborers	.4	.4	.8	3.5	2.2	3.2
Private household workers	7.2	10.3	17.6	97.6	92.1	93.8
Service workers (except private household)	15.6	12.6	11.3	57.0	45.4	40.1
Farmers, farm managers	.3	1.5	5.8**	4.1	5.5	8.0**
Farm laborers, foremen	1.7	3.9		28.0	27.4	

* Data are for April of each year.
** Not reported separately in 1940.
Source: Handbook of Women Workers, 1969, Table 40

of a relative worsening in women's occupational status. The concentration at the bottom of the diagrams and the flatness of the dotted lines measuring female occupational parity in Figures 2, 3 and 5 show how - except in the office and clerical occupation - women have made almost no progress in the seven (7) sample companies surveyed. The somewhat hectic movement in the female parity measure for the craftsman category of Figure 6 shows the sensitivity of the parity measure when small increases in the number of women employed in the internal labor market are compared with a very limited availability of women in the external market (note that nationally only a little more than 1% of all women are classified as craftsman). Figure 7, on the other hand, shows that of the companies surveyed, only two (Company S and Company R) appeared to have made a genuine effort in placing women in the operative category. The data highlight the importance as well as the difficulty in achieving female parity among operatives.

Comparative parity involves the use of data indicating the progress in minority and female utilization of other companies in a given area; the measurement is thus not applicable to national situations.

Table 10 gives an example of the measurement of comparative parity for a division of a multi-plant, state-wide company with several operations in a large Standard Metropolitan Statistical Area (SMSA) in the Southwest. This table exemplifies the manner in which this measurement tool can be applied and how, given available data, it yields more detailed information. In this particular case it shows that:

- there is no female utilization whatsoever (see Column 5c) in seven occupational categories and underutilization of women even in the office and clerical categories;

- parity in comparison with other reporting companies in the area (see Column 5a) for minorities as a group is approximated only in the technicians, office and clerical, laborers and operatives categories;

- the company is, when compared with other companies in the area, utilizing relatively more Spanish-speaking Americans (see Column 3b) than Blacks who are well represented in the labor market, except among female clericals.

Figure 2

Minority and Female
Occupational Parity Measures
7 Sample Companies 1966-1970

OFFICIALS AND MANAGERS

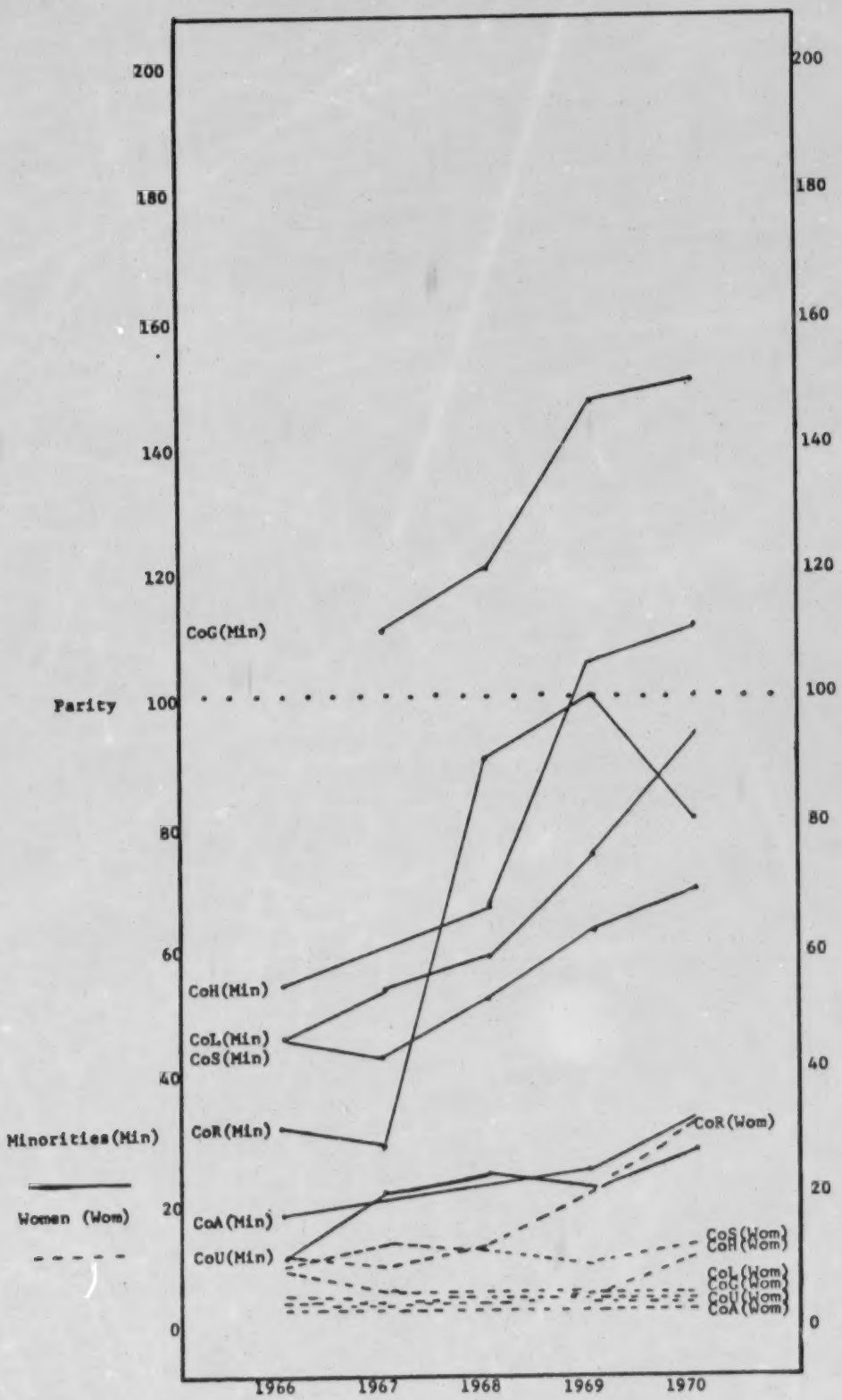

Figure 3

Minority and Female
Occupational Parity Measures
7 Sample Companies 1966-1970

PROFESSIONALS AND TECHNICIANS

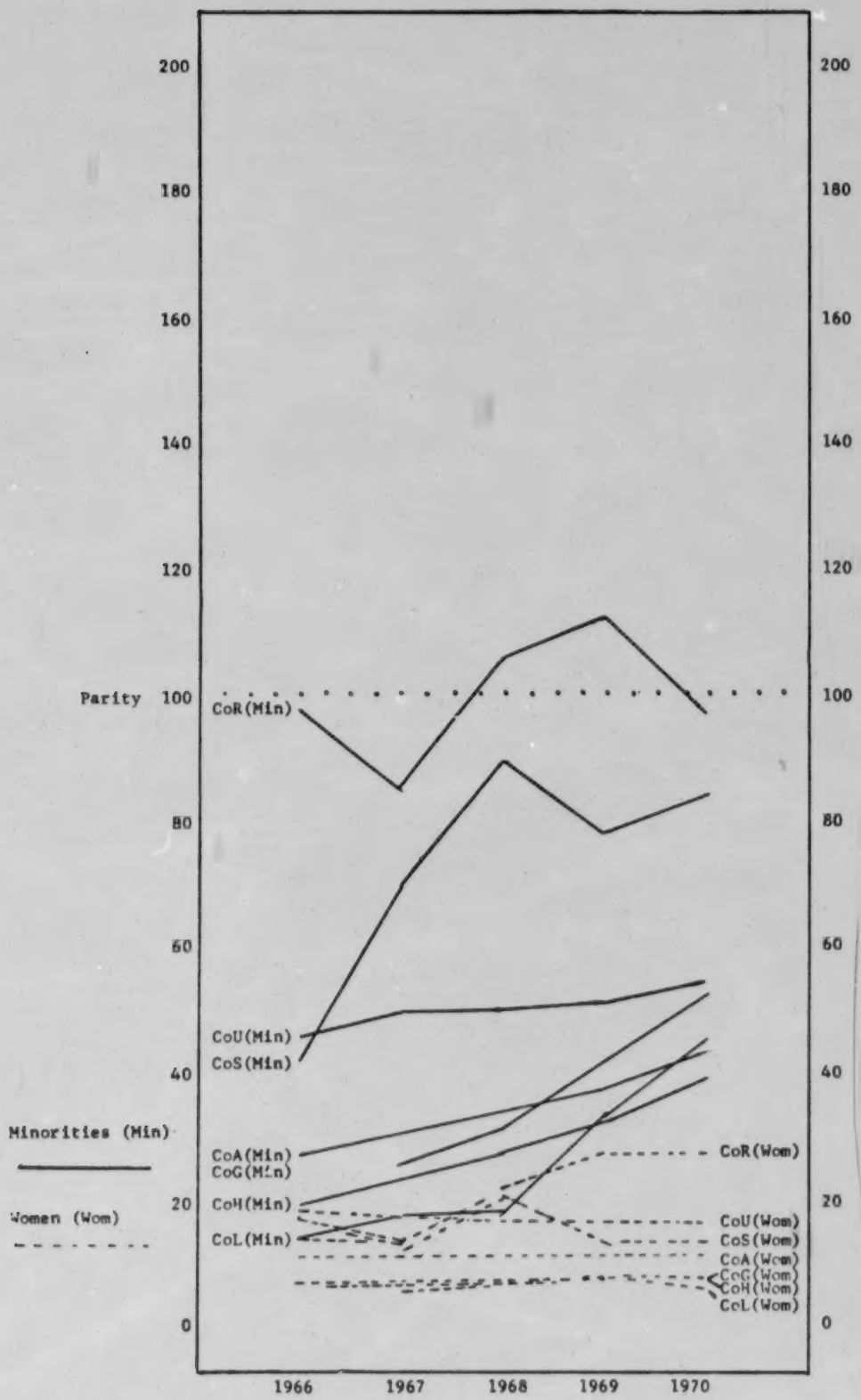

Figure 4

Minority and Female
Occupational Parity Measures
7 Sample Companies 1966-1970

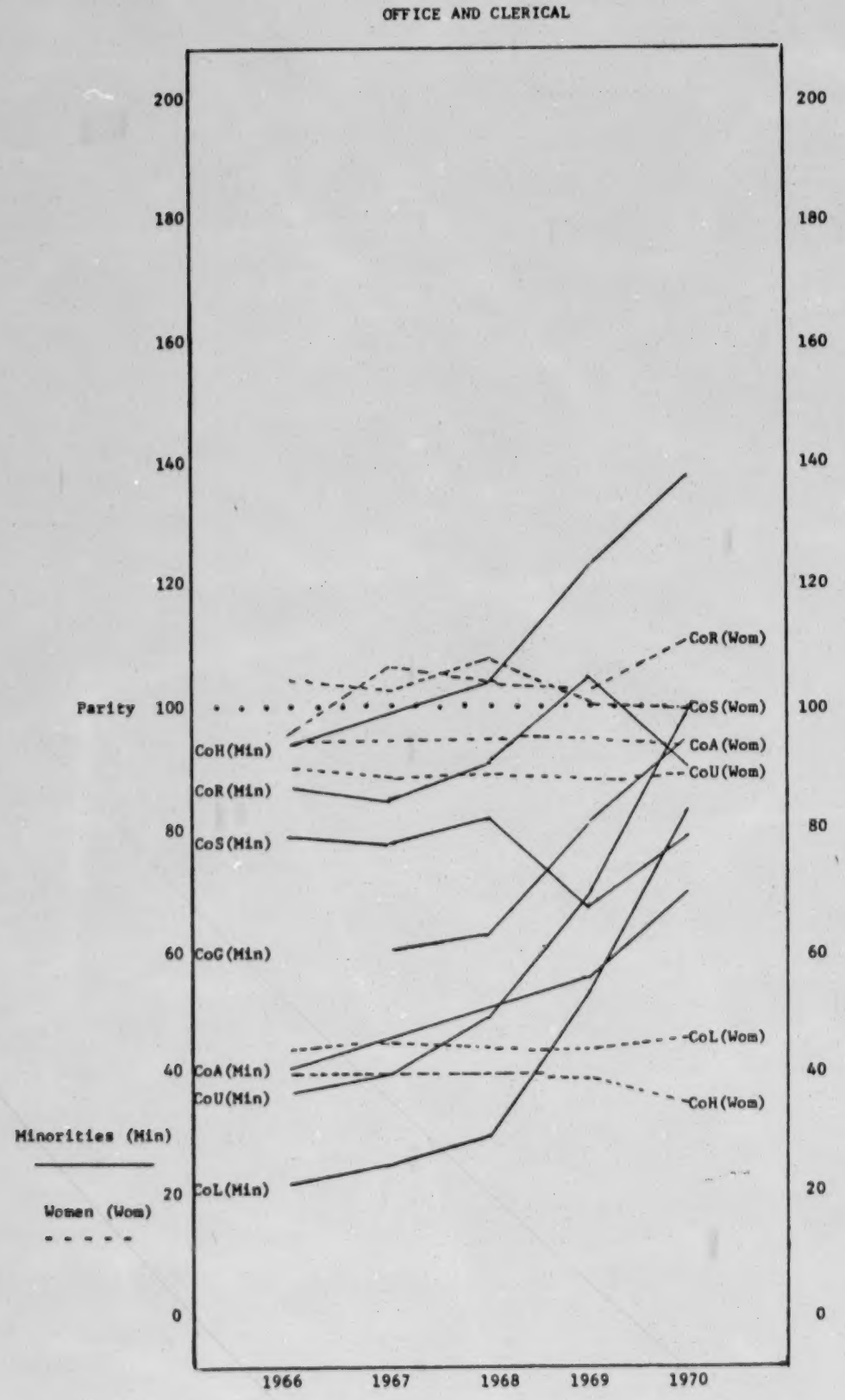

Figure 5

Minority and Female
Occupational Parity Measures
7 Sample Companies 1966-1970

SALES WORKERS

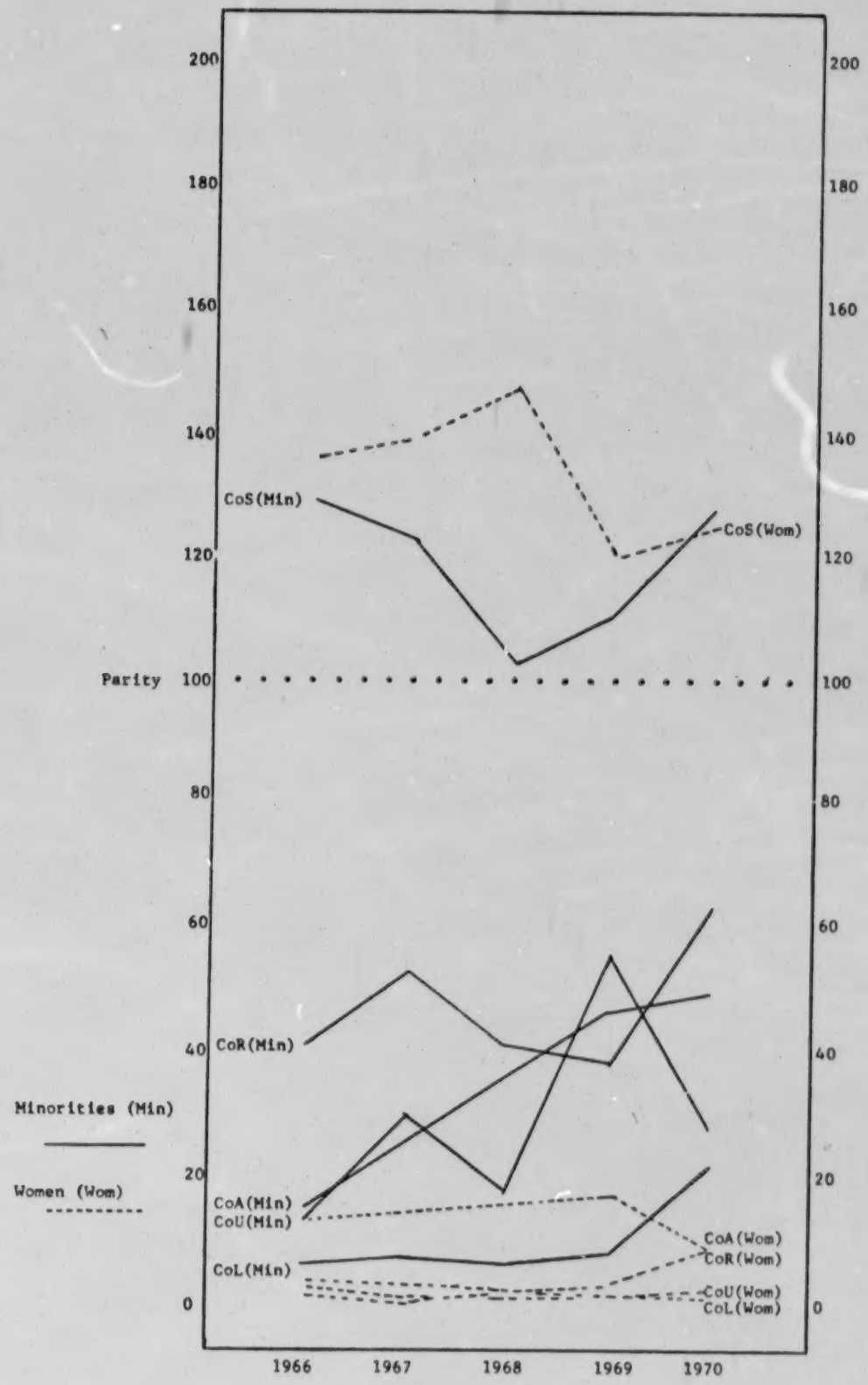

Figure 6

Minority and Female
Occupational Parity Measures
7 Sample Companies 1966-1970

CRAFTSMAN

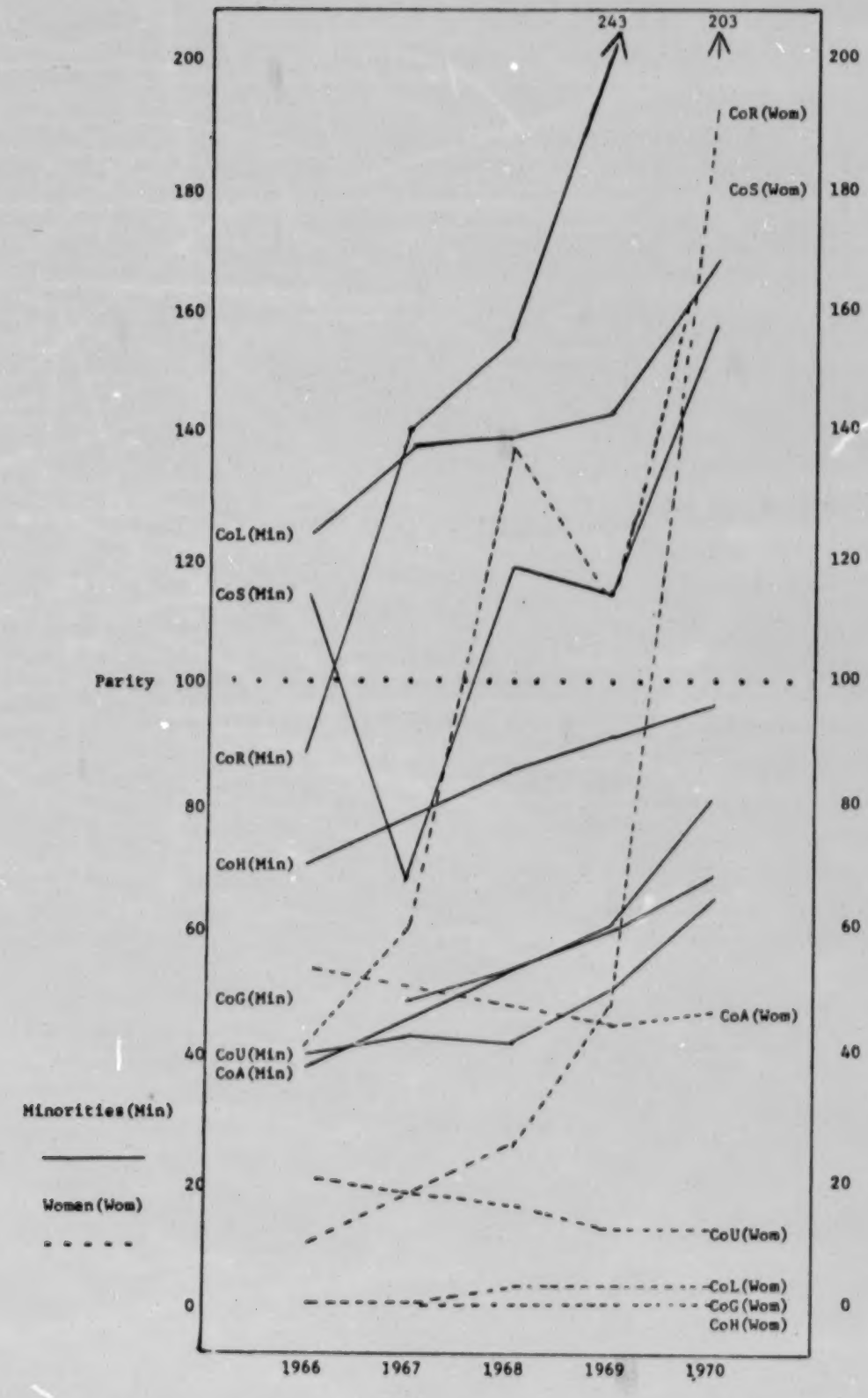

Figure 7

Minority and Female
Occupational Parity Measures
7 Sample Companies 1966-1970

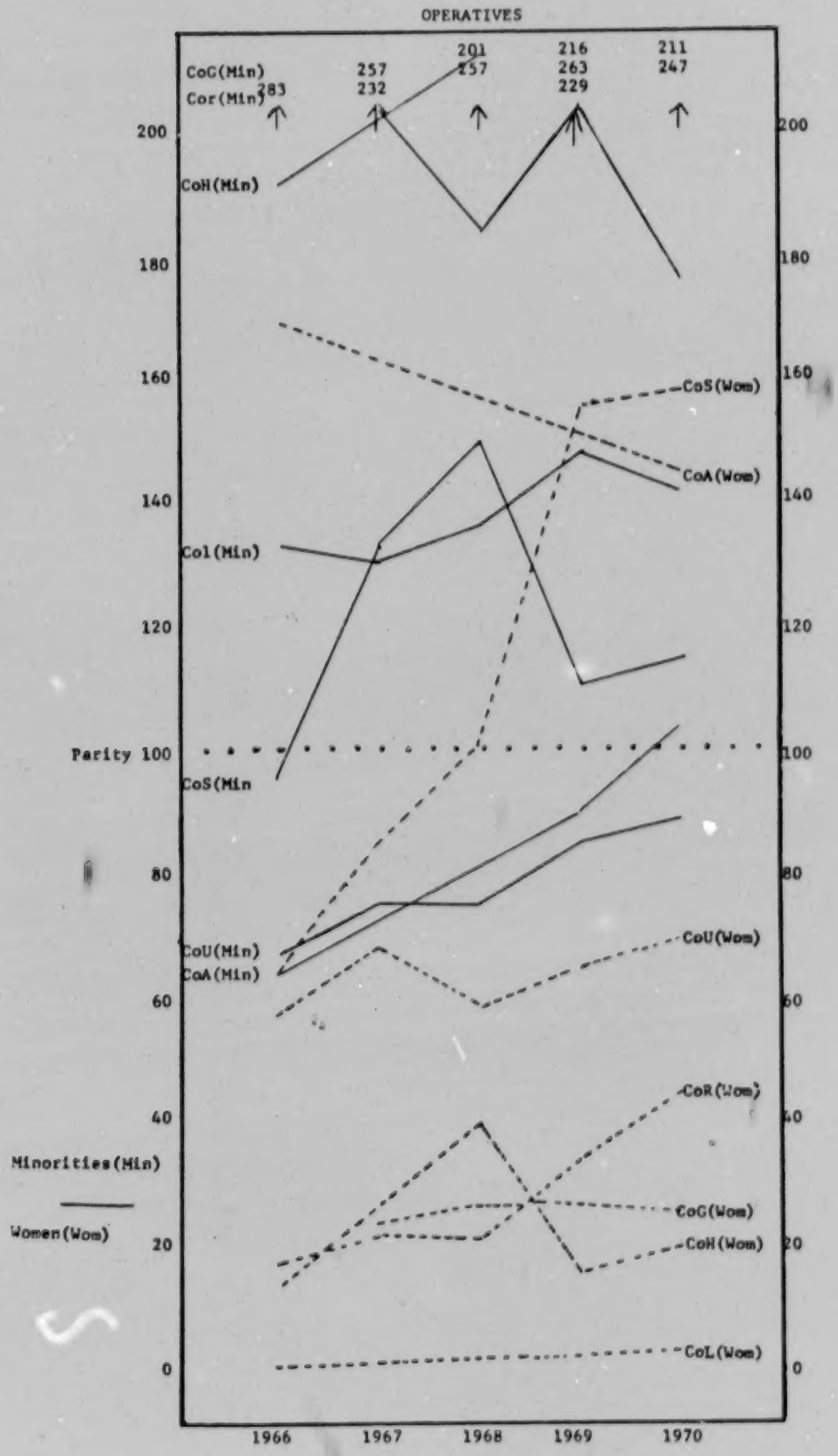

TABLE NO. 10

Index of Comparative Employment Parity
One Company 1971

Classification	(1) Negro			(2) Spanish-Surnamed American			(3) Oriental			(4) American Indian			(5) Minorities		
	a	b	c	a	b	c	a	b	c	a	b	c	a	b	c
Officials & Mgrs.	38	50	0	57	57	0	0	0	0	350	350	0	41	46	0
Professionals	60	80	0	114	120	0	22	25	0	0	0	0	50	57	0
Technicians	42	71	0	243	264	0	51	52	0	160	160	0	98	123	0
Sales Workers	0	0	0	174	184	0	0	0	0	0	0	0	51	56	0
Office & Clerical	96	44	56	145	61	80	108	37	70	0	0	0	112	47	67
Craftsmen	80	83	0	60	60	0	11	11	0	43	43	0	55	56	0
Operatives	97	96	0	80	83	0	79	100	0	83	71	0	86	89	0
Laborers	0	0	0	222	234	0	0	0	0	0	0	0	105	103	0
Service Workers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

a = Total
b = Male
c = Female

Some Conclusions on Applications of Parity Measures

This section reported upon the development and application of certain employment parity measures; more work needs to be done to discover - through various applications - all the implications of the measurement tool itself. At this point, however, some preliminary conclusions and judgements can be reported on.

1. Applications of the occupational parity measurement permit comparisons as to the performance of various companies that are not easily established by other means.

2. Application of occupational parity measures is useful in indicating to employers and to governmental compliance and technical assistance officers priorities of affirmative action activities. For example, the data suggest that for Company L, hiring minority sales workers must be given priority.

3. The measure of comparative parity is useful in demonstrating to laggard employers how what they claim "unfeasible" was, in fact, achieved in "sister companies" in the same labor market area.

4. The measures of population and occupational parity are useful in the setting of timetables to reach established company and national goals.

5. The pattern of minority occupational parity measures for the sample companies between 1966 and 1970 indicates clearly that the impact of the EEOC is traceable in the quantitative improvement in minority employment.

6. The pattern of female occupational parity measures for the sample companies between 1966 and 1970 in their very low values and the almost total absence of change - on the other hand - indicate how little employment of women has improved.

CHAPTER 5

PROVIDING TECHNICAL SUPPORT TO THE OVP

PROVIDING TECHNICAL SUPPORT TO THE OVP

In launching the MMP, one of the stated objectives was to increase EEOC's ability to fulfill its mission. In meeting that requirement, HDC performed the following in-service training functions:

- participated in a region-wide training program to instruct Voluntary Programs Officers in the design and introduction of affirmative action plans;
- accompanied Voluntary Programs Officers on initial company visits;
- provided on-the-job training in the documentation and analysis of personnel practices and procedures with emphasis on upward mobility approaches;
- assisted EEOC headquarters personnel in the preparation of technical assistance programs.

In the conduct of these activities, the senior staff of EEOC was exposed to HDC's knowledge of upgrading and mobility systems. On the other hand, HDC's staff was unable to learn the intricacies of the law and the equal employment opportunity jurisprudences. What was learned while in residence cannot easily be distinguished from what was learned in the field; consequently, part of the insights obtained by "living in" have been already incorporated in the earlier part of this report. This section, therefore, is made up of separate and parallel sub-sections dealing in order with: the nature and focus of technical assistance; the corporate willingness to introduce mobility systems; and an estimate of changes in personnel/manpower practices believed to be taking place in the private sector in response to EEOC-type pressure.

The Provision of Technical Assistance

The Office of Voluntary Programs

The statutory requirement of providing employers with technical assistance in complying with the requirements of the Act is lodged with the Commission's Office of Voluntary Programs. This office, in addition to other duties, provides services to employers through headquarters and Field Technical Assistance Officers. In most situations - particularly where no issue of individual complaints is involved - the Technical Assistance (TA) Officers are the principal vehicles of contact between the equal opportunity/personnel officials and the government. The Technical Assistance Officers' universe of service is large; technical assistance - when all is said and done - is provided by only about 30 professionals who have to deal with many thousands of employers. The staff's activities are many. They are - through workshops, conferences, etc., - raising the awareness of racial and sex issues in the employer's community; they interpret the requirements of new court decisions and clarify the implication thereof in terms of shortcomings of current employer practice.

The Office of Voluntary Programs is part of an agency whose main responsibility and mode of operations is investigation and compliance. The recent series of Commission hearings and the 1972 amendments have reinforced this investigative and compliance orientation and, by expanding the Commission's jurisdiction, enlarged the universe of TA services. In such a setting, the nature of the provision of technical assistance was identified as follows:

> ...technical assistance operates first by identifying discrimination, by recommending ways to eliminate it, and where possible, to compensate for past discrimination by obtaining an agreement from the employer on the introduction of remedies, and finally, by tracking the implementation of remedies.

The orientation is "compliance/investigative" in a voluntary mode. The provision of technical assistance implies no conflict with the compliance function. Providing technical assistance goes beyond the assessment function. By, for

example, requiring the identification of possibly discriminatory activities, it goes beyond simply checking whether the employer is carrying out a set of activities: it helps the employer identify how his activities are carried out and evaluates their effect.

So far, the TA Officers' experience in dealing with employers in the analysis of personnel procedures in an investigative and compliance context is small. As of now, the prime requirement is to develop a detailed and systematic approach toward this type of technical assistance. It is anticipated that its staff will expand and, for the new members, training in the provision of analytic technical assistance will be needed.

Employer Requirements for Technical Assistance

HDC's interactions with employers and analysis of their inputs to Commission staff members indicates:

- ambivalence in asking for technical assistance from a compliance-oriented agency;
- dissatisfaction with a perceived multiplicity of agencies with overlapping jurisdictions and, allegedly, with different requirements.

Some argue that such attitudes by employers militate against a large positive impact through governmental technical assistance. Indeed, the variety of ways in which the national equal employment opportunity policy is carried forward makes for some overlaps and contradictions. These will be discussed later. Yet, the overall impact, in fact, is synergistic and reinforces the main policy push. Re-directing manpower/personnel systems developed over years of practice and, in many cases, by interaction with union bargaining pressure, is not an easy task. Governmental assistance so far has been largely confined to providing employers with simpler interpretation of the law and judicial decision. General employer experience in the area is limited and checking with another company often proves to be fruitless if not misleading. Experts on the development of affirmative action plans are few; too many often seem to specialize in advising employers how to comply with the letter rather than the spirit

of the law. Thus - and our field experiences highlighted this presumption - employers as a group have limited capabilities in reorganizing their own personnel systems and do not know what to look for in implementing equal employment opportunity approaches.

Whether employers would take advantage of a greater technical assistance capability was not systematically evaluated. Suffice it to note that:

- at present, the availability of technical assistance to employers is minimal; it consists almost entirely of the provision of written materials describing legal requirements in simpler language;

- the current level of requests for technical assistance by employers which reach the Commission, state agencies and the independent groups far exceeds their joint delivery capability.

At the heart of the situation, in spite of developing changes described below, are the following:

- The great majority of employers do not currently have the capability of "writing up" a meaningful affirmative action plan. The detailed requirements stated in Revised Order #4 apparently provide guidance only as to the <u>form</u> of an affirmative action plan, and not as to its <u>content.</u>

- The great majority of employers have limited understanding of the area of equal employment. Most employers, even with formally developed personnel departments, do not seem to be able to identify the way in which they - most often unwittingly - discriminate. Concentration on narrowly defined aspects of efficiency leads them to search for mechanisms of worker assessments which - besides being unrelated to the reality of the match between worker and job - even when equally applied, make for unequal opportunities in the distribution of available jobs.

- Excepting the very large employers that have been developing a pattern of minority recruitment over the years, employers do not know how to tap the available supply of minority and female workers both from the external and internal labor market.

- Relatively few employers are abreast of legal and juridical developments in the field of equal employment.

There is no doubt that the need for externally originated technical assistance exists. Whether such a need is matched by a willingness to reach out for technical assistance to introduce new mechanisms geared to equal employment opportunities is discussed below.

Corporate Willingness

The introduction of activities meant to bring about equal employment activities requires some kind of "corporate willingness." That it varies widely is obvious. Knowing more about it is important, as its very variability suggests the possibility of developing strategies to affect introduction of new programs. First, what is meant, in the present context, by the willingness of an organization? We define this as the extent to which decision-makers and "influential" individuals are willing to invest their own and the organization's resources in an equal employment/upward mobility project. The "organization's" willingness is a sum of the investment willingness of individuals, each individual being weighted by his authority or power of deciding the events in question. The location of willingness was found to be related to the existing pattern of general decision-making and to the relative degree of centralization of operations.

- Corporation headquarters personnel staffs and senior corporate officers tend to accept the notion of introducing mechanisms geared to equal employment opportunities. Informal assent for such programs is easily attained. The corporate willingness at the level of corporate "Vice President for Employee Relations" tends to be high.

- Informal involvement of senior corporate staff is insufficient. A mechanism guaranteeing continuous involvement and participation of senior management at three levels - corporate, division and plant - is needed. It has become clear that it is essential that all parties be involved with the design and implementation of the equal employment/upward mobility project. They must "own a piece of it."

- It is important to understand some of the organizational dynamics of willingness. One learns very quickly that in a decentralized and highly complex structure, communication of new concepts is a "painful" experience. Only through constant dialogue at all three levels (and certainly top management sponsorship helps) will one be permitted to move with a new manpower approach. The best of concepts and techniques never become realities unless one spends time developing the political/social model and puts it to work.

- While the rhetoric of corporate life asserts that decision-making is the responsibility of the top, in matters of minority and female employment decision-making is "pushed down" to the plant management level. It often turns out that organizational willingness becomes plant willingness, because the senior officers of the corporation or of a division who could have made decisions on affirmative action programs are, in fact, not involved in this decision-making process. The autonomy granted the individual facilities in preparing affirmative action plans in manpower seems very large. While these plans are reviewed by division officers, it does seem that the plant management is thought to know best in the long run and that very little whip-cracking is possible. It does not seem that senior-line management is willing to perform this task either, or at least only infrequently.

- At plant levels, it is inevitable that the concentration of effort is upon smooth operations of the plant. Strikes are feared. The management is very production-oriented and is usually

of an age and background which puts output and productivity first, human resource development second.

- The relatively low willingness of plant management to modify personnel procedures does not mean that it is unsympathetic to the needs of minority employees. The fear is that the delicate balance which is often perceived as existing between union and management would be destroyed by outright intervention and that production would be adversely affected.

- The major advantage that can be offered to a production-oriented management by any manpower program is that productivity will be increased. If productivity is low because of inadequate worker skills, absenteeism, tardiness or high labor turnover or the like, there is a strongly felt need for a solution to the problem. In such situations, hiring and promoting minorities and women is introduced more easily. This is also the case with new facilities or facilities that relocate to new areas.

- Willingness to accept changes in hiring and promoting minorities and women is least developed among first-line supervisors on, so to speak, the production floor. This is not necessarily because supervisors are more "racist" or "sexist" than their supervisors but rather because: (1) they have been "managed" by the same rules and procedures that the non-exempt work force has and, therefore, see no reason for a different "management" of those they supervise, and (2) they ascribe blame for the racial frictions of their work life to higher management's earlier planning failures.

Changes in Personnel/Manpower Practices

Recent legal decisions, individual and class complaints, charges and investigations thereof, conciliation agreements, EEOC's Commissioner's charges, EEOC's public hearings,

compliance review, Department of Justice "patterns of practice suits," etc., have - to varying degrees - all led to changes in personnel and manpower practices on the part of large and small, public and private employers. The more common among such changed practices are the institution of data storage and retrieval processes identifying the sex and race characteristics of the work force, the participation of companies in community affairs, the utilization of specialized private minority recruiters for professional and managerial positions, the utilization of local community groups and community action agencies in the recruitment of blue and white-collar workers. In addition, in an increasing number of situations, personnel practices are being introduced to either abolish tests or to validate them, to establish internal EEO compliance functions and, more broadly, to discourage discrimination in job placement.

In response to requirements of Executive Order No. 4 and the encouragement of EEOC's Office of Voluntary Programs, major American employers have introduced "affirmative action plans" to institute administrative changes and new programs aimed at recruiting, hiring, training and promoting minority employees. These plans vary markedly among companies; fluctuating between triviality and pseudoscience, they range from the expression of pious homilies to sophisticated system-wide constructs. Even the more sophisticated plans that were examined limit themselves to statements of company policy, establishment of organization structures and the setting of minority employment goals relative to current minority work force utilization data.

An across-the-board evaluation of the upgrading aspects within affirmative action programs was not attempted, since many of them are recent and their impact is hard to trace and yet to be felt. Nevertheless, some observations may be made.

- Minority employment/urban affairs programs are generally not integrated in the overall corporate decision-making structure; the managers of these programs have less status and less power than managers responsible for operational decisions in production or finance; on occasion, they hide their unwillingness to evaluate the efficiency of their own operations under the alleged complexity of obtaining data from computer-based systems.

- Minority employment/urban affairs programs, on the other hand, generally are effective in enlarging, by inclusion of non-whites, the universe of internal trainees and of candidates for promotion and upgrading. Yet, as decisions on the disposition of trainees and on actual promotions are carried out by line management, it is difficult to link directly activities such as skill inventories to the realities of minority mobility. As indicated above, in at least one corporation, affirmative action programs specifically so labeled and meant to increase minority utilization have been found inefficient and ineffective.

- Attempts at implementing affirmative action programs and at increasing employment parity have also led to the discovery of ways to recognize:

  - barriers to upward mobility that were either not known or recognized prior to 1965, or if known as generic barriers, not known as to their application to non-whites - and of how to remedy such situations;

  - ways in which "equal treatment" has "disparate effect" through the establishment of requirements for promotion unrelated to the performance on-the-job;

  - ways in which job families and related career ladders can be linked to each other to facilitate minority mobility;

  - ways in which seniority rules can be restructured to facilitate minority mobility.

- Experience with efforts at implementing affirmative action plans has shown that:

- personnel data availability varies markedly between exempt and non-exempt levels which makes difficult the analysis of attempts at employment parity and associated actions;

- a company's movement toward employment parity can be achieved more effectively through deliberate, formal or informal actions that are incorporated in regular or routine decision. Thus, instructions to foremen about deliberately including minority members in their continuing informal on-the-job training activities and about "protecting" minorities in periods of force reductions seem more efficient than many special programs.

Results of the Joint Relationship With EEOC: The Outcomes

In surveying EEOC's activities and those of related agencies, and in relating these to the variety of mobility systems, a set of precise needs were identified in terms of both the achievement of public policy as well as satisfying the needs of private employers.

Technical Assistance Manual

The fulfillment of the statutory mandate to provide employers with technical assistance calls for the following:

1. There is a need to develop a "way of working" within an organization which will enable those responsible for the provision of technical assistance to identify systemic discrimination in the personnel process and to recommend corrective actions which are in consonance with the provisions of federal legislation and executive orders.

   - In looking at the activities of both the EEOC Voluntary Programs Officers and the Compliance Officers of other agencies, it has become increasingly obvious that the

substance of those activities should often be the same. For example, OFCC "Guidelines for Identification and Resolution of Affected Class Discrimination," and EEOC "Standardized Remedial Provisions" have significant functional interrelationships.

- EEOC analyses of the personnel process have been developed through charges of unlawful employment practices. Procedures used in identifying discrimination are being amplified and technical procedures in the delineation of broad remedies are being incorporated in a new manual. This involves a "way of working" within the organizational setting.

- OFCC compliance procedures emphasize the analysis of data related to the presence and/or effects of discrimination. These procedures are "assessment" oriented rather than "assistance" or "recommendation" oriented.

  Also, there is little comparable procedural direction for Compliance Officers in identifying criteria applied within the selection process for hire and promotion, especially where such criteria are informal and subjective.

2. There is a need to develop a "way of working" within the universe of employers, integrating resources directly available to the Commission with those that it may stimulate through other public and private agencies.

   To fulfill the first of these two requirements HDC will have completed by August 31, 1972 the preliminary draft of a Technical Assistance Manual for the use of EEOC's Voluntary Program Officers, and possibly Compliance Officers of various other agencies. The manual is aimed at assisting the identification of discrimination, the presence of affected classes, and the preparation of remediation proposals.

Preparation of the Technical Assistance Manual. The work carried out in Company A provided insights and inputs for the Technical Assistance Manual particularly applicable to affirmative action plans. The work carried out in

Company B was particularly helpful in establishing the appropriate methodology for the identification of discriminatory practices in the process of hiring new personnel and in the establishing of criteria for employment. Experience in both Company A and Company B highlighted the importance of the process and criteria of placement. The Technical Assistance Manual thus stresses the need for investigating the placement process irrespective of whether the placement relates to the first job or to subsequent jobs held by an employee.

A Model Agreement. The work in Company B - focused as it was upon the development of a set of recommendations which the Company had agreed to be the final result of the provision of technical assistance - led to the development of an unplanned product: a model agreement between the company obtaining technical assistance and the EEOC. With the delivery of the findings and recommendations on Company B, such a document was developed. Arrangements are currently being made by Technical Assistance Officers in one of EEO's regions to apply this model agreement to another public utility company similar to Company B.

Employer Guidelines

In surveying employer affirmative action activities and programs, and in relating these to their personnel practices, particularly with reference to job assignment and promotions, we have found widespread inability to identify either the presence or the causes of discrimination and underutilization.

To assist employers in this endeavor, HDC will have completed by August 31, 1972 the preliminary draft of an Employer Guideline, to be used by employers in the private sector as a syllabus in the preparation of effective "affirmative action plans" with emphasis on upward mobility for minorities and women.

The guidelines involve the use of data that most large employers generally have on hand. It shows how data such as job positions within each functional unit, incumbents of job positions (name, race, sex, wage range, wage rate, seniority date), prior job position of each incumbent, formal and informal lines of progression, employee applicant flow, and employee hire, promotion and termination rates can all be used to analyze existing practices. By carrying out the

analytic steps described in the guidelines, the personnel or minority opportunity officers will be able to establish whether the company is currently in compliance with the law as well as to identify practices and policies which, in spite of their apparent neutrality, often create situations of "disparate effect" or the creation of an "affected class" of which the employer is unaware.

The guidelines also offer assistance in simple terms, in setting up, administering, monitoring and evaluating programs with high yields in internal mobility of minorities and women. The guidelines ought to provide employers particular assistance in establishing a clear focus for the role of the EO office, in establishing an internal compliance mechanism as well as a streamlined approach to the complex legal technicalities of the law and equal employment opportunities.

CHAPTER 6

EQUAL EMPLOYMENT ACTIVITIES AND UPWARD MOBILITY

EQUAL EMPLOYMENT ACTIVITIES AND UPWARD MOBILITY

At the outset we noted that the major questions raised by the MMP in terms of the relationship between upward mobility approaches and the mobility of minorities and women were:

- How flexible and accommodating are existing occupational structures with respect to the accelerated upward movement of minorities and women?

- How does the absence of a rational upward mobility system within an employing organization affect the utilization of minorities and women in the work force?

- In selecting employees for promotion, which choices are based upon rational employer requirements and which reflect either conscious or unconscious discrimination?

Preliminary answers to these questions are dealt with below.

Some Preliminary Conclusions

Internal Labor Markets: Internal labor markets play a central role in employment discrimination. "They do so by selecting workers at 'ports of entry' and by conferring privileges upon the internal labor force not available to those in the external labor market.* This phenomenon was illustrated in an almost textbook sense in Company B. Company A was found to have a larger number of entry points; consequently the discriminatory effects of its internal labor market were less marked. In two other companies, U and G, - studied in the larger effort dealing with the development of general mobility models in the industrial setting - the same phenomenon was noted.

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* P.B. Doeringer and M.J. Piore; Internal Labor Markets and Manpower Analysis; Heath Lexington Books, Lexington, Massachusetts, 1971; p. 133.

Conventional wisdom in the manpower field has long established that "... the occupational structure of an industry is the major determinant of the availability of upgrading opportunity."* Upgrading opportunities thus are very limited in firms that are part of industries with very flat occupational structures; conversely, where the production characteristics and work organizations of an industry - such as automobiles and chemicals - are such as to create several rankable occupational categories, there are generally greater opportunities for upgrading with little reference to training requirements.

To this well observed phenomenon which our work fully supports, we add the finding that is also held for minorities but more so:

> The potential for upgrading of minorities and women is proportionately greater in "peaked" structures and, conversely, in flat structures the possibility of upgrading minorities and women is similarly proportionately more limited.

In assessing how the absence of internal upward mobility systems effect the utilization of minorities and women, again we find confirmation of what is already known and note that:

> The absence of mobility system limits very significantly the potential for upward mobility of minorities and women.

The absence of potential for minority upward mobility in such situations, is attested to by our experience in the foodservice industry. HDC's work in the foodservice industry is described in a separate report. The objectives of that R&D program, conducted jointly with the National Restaurant Association, were to produce an initial assessment of the potential role of a trade association in (a) disseminating information concerning systematic upgrading and mobility concepts and methods, (b) inducing members to undertake upgrading and mobility programs and (c) serving as a technical resource on career mobility to member firms.

The foodservice industry was found to be prototypical of marginality; most of its firms are small, often short-lived, staffed primarily by marginal, underemployed workers paid very low wages. Minority and female utilization throughout

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* See, e.g., Charles Brecher, Upgrading Blue Collar and Service Workers, The Johns Hopkins Press, Baltimore, Md. 1972, p. 93.

the industry is high, with most of the minorities employed in "back-of-the-house" activities. In other job categories (e.g., hostess) minorities are not represented at all.

As a totality, the industry is characterized by "dead ended jobs" and the lack of internal upward mobility. Where and to the extent that internal promotions take place, they are unrelated to seniority, performance, education, age or related experience. Here promotions are often traceable to personal relationships with the supervisor thus creating ample opportunities for individual discrimination.

The modification of existing mobility structures: Among non-exempt workers, particularly in manufacturing, both personnel practices and collective bargaining agreements have created rigid and formal structures. These have created also identifiable "ports of entry" (i.e., those job classifications into which most workers are hired).

Company B represents the almost classic situation of deliberate functional discrimination. As we have seen in Company B each port of entry is linked to a specific line of progression in which jobs of successive levels of complexity are clearly interrelated. Workers are originally placed into a port of entry and remain in the line of progression connected thereto.

Imbedded in this structure we find a placement process which made for a disproportionate assignment of minorities to less desirable progression lines and the complete barring of women from all "physical" progression lines. Coupled with a seniority based promotion system this reduced the upward mobility of minorities and women.

In Companies B and U, seniority was important. On the other hand, seniority is not necessarily the crucial determinant of mobility. The characteristics of the seniority arrangement - department-wide, plant-wide, company-wide, etc. - are a more significant predictor of the overall level of mobility even though they do not control every promotion. Among job categories with narrow pay differentials and where most workers have roughly the same seniority, who gets promoted - as skill and knowledge requirements are either not established or indifferentiable - is, as in Company G, in spite of the alleged formality, often a matter of whim or chance. Such situations, again, seem to permit either discrimination or integration according to whether assignments

to predominantly White progression lines are or are not made. In Company A, the potential flexibility of the structure was utilized, at least in some instances, for the more rapid upward movement of a few minorities.

In terms of the flexibility of existing occupational structures with respect to the accelerated upward movement of minorities and women we have noted that where minority incidence has tended to be equalized, it has involved an increase in the number of entry points at which they have been hired, changing seniority structures and changing the interrelationships among job families. We conclude that:

- Internal labor market structures <u>are</u> modifiable.

- Employers as a group are either unaware of the discriminatory nature of what they consider normal and appropriate practices or - generally - unknowledgeable as to how they are to be modified.

- To accelerate the mobility of minorities and women, employers occasionally develop arrangements - such as skill inventories - that permit them to tap a larger pool of workers without changing the structure of the internal labor markets.

- Industries with flat mobility structures, such as the foodservice industry, upgrading of minorities and females calls for considerable job restructuring and the creation of new, formal and functionally integrated career ladders. This can be achieved by clustering separate units into large structures thereby creating administratively the equivalent of internal labor markets amenable to carefully considered affirmative action intervention.

<u>External Labor Markets</u>: Deficiencies in the external labor market bear upon equal employment opportunities only in the broadest sense: they are not amenable to direct manipulation by employers. Where such interventions may be possible, they may not be appropriate from a public policy viewpoint. Discrimination in schooling, housing, health, etc. against minorities and women in the totality of social services that establish the characteristics of workers available in

the external labor market, on the other hand, actually creates hard limits as to the possibility of reaching employment parity. In fact, in certain occupational categories for certain industries in which training is of long duration and industry-specific rather than firm-specific (e.g., radiologist, high voltage electrical maintenance engineer, multilith operator), the supply of minorities is most limited. Here, even the most aggressive and well thought out affirmative action plan may not help the employer in obtaining a significant representation of minorities and women among his internal labor market. Under such circumstances, the attempt to facilitate employment parity within lines of progression and across job classifications would have to include both special outreach activities as well as "traditional" upgrade training approaches for minorities and women. Even though requisite skills may be available among non-minorities in the external labor market, there could be justification for preparatory, vestibule, and on-job training for minorities and women in order to create a balanced labor supply in terms of race and sex. Ultimately, major inroads towards occupational parity will most probably be achieved through increased training of minorities and females by the Nation's public, vocational and technical schools.

As noted, in neither Company A or Company B have we found skill shortages amenable to amelioration through training which operate as barriers to the upward mobility or utilization of minorities and women. In Company G, a deliberate effort at modifying a collaborative, area-wide Apprenticeship program - reinforced by a remedial pre-Apprenticeship training program - was found effective in increasing minority representation in waiting lists for apprenticeship slots and, eventually, for entry into credentialed journeymen classifications.

The greater potential for upgrading among exempt categories. Data on occupational utilization of minorities - but not for women - have shown limited improvements. How has it come about? Our experience in both Company A and Company B suggests that movement toward parity occurs in spite of the established ineffectiveness of the special programs meant to do so and residual discriminatory practices among the non-exempt classifications.

At the exempt levels, upgrading may be accomplished more easily, since hiring and promotion criteria are expressed in broad language, permitting diverse interpretations. Also, as the relationship between staff functions and output is less

clear, the manning tables (i.e., the number of available slots) are more flexible. For many staff, technical and managerial positions beyond certain levels of general education and competence, the needed training is specific and internal to the firm; what most managers are required to master are the peculiarities of each firm: its personnel practices, collective agreement, organizational procedures, etc. To fill such positions if the employer desires, he may tap a new and larger universe of candidates and train them on the job.

For exempt position thus the notion of "employable" and the reality of a "vacancy" are malleable to those who wish to manipulate them.

> Employer originated arrangements or remedies suggested by governmental agencies involving accelerated promotions, identification of minority professionals, internship programs all have been found effective in increasing utilization of minorities and women.

The Movement Towards Parity

If the central thrust of social responsibility and national policy is concerned with moving Blacks, Spanish-Surnamed Americans, American-Indians, and women into and upward through the job hierarchies of private organizations, "traditional" upgrading concerns and technologies may be too limited. Focusing on more extensive training programs and more sophisticated structural redesign may become too encompassing, far too costly and ineffective. The critical issues now become the broad set of preferences which consciously and unconsciously come out of a whole range of manpower/human resource policies and practices: collective bargaining agreements, testing, employment interviewing, "subjective" criteria, etc.

The heart of the problem we are attempting to solve does not necessarily lie in the absence of employee advancement and promotion systems. Employers spend millions of dollars on such mobility system elements as recruiting, testing, selection, placement, wage and salary determination, training, counseling, performance evaluation, and promotion. Every organization, large or small, has an upward mobility system of some sort, be it "flat" or "peaked." Each of these systems

is highly selective, defines "good" and "bad", and sets forth a range of proscriptions and prescriptions. Carved in the image of those who came before, each system becomes institutionalized or "hardened", operating to favor some people while rejecting others.

New strategies to obtain employment parity can profitably focus upon the discrimination aspects of the existing upward mobility system in each employer organization. We have seen that these discriminatory functions may cover a diversity of things. They may be willful or unconscious; stem from organizational efficiency, bureaucratic inertia, organizational unwillingness or the assumed advantages of "promotion from within."

In addition to being handicapped by an excessively narrow understanding of the rigidity of internal labor markets, the discourse about greater utilization of minorities and women has also been characterized so far by an approach in which the objective constraints - the technology, the cost structure, the product market, the characteristic of the labor supply - were not only taken as "given" but also perceived as limiting the possibilities of achieving parity.

Our work so far suggests the exact opposite. To our surprise, for example, the economic constraint did not surface. Neither in written statements about EEO policy nor in discussions at the corporate, division or plant level was the matter of economic efficiency ever raised to argue for or against, or to limit, equal employment programs. Concern with the "bottom line" in relationship to minority mobility either is not understood by employers or (most probably) not communicated in translatable manner to operating management.

The elaboration of a convincing economic justification - a cost and benefit model - for achieving parity thus seems a less urgent task. On the other hand, the development of a rationale expressed in terms of its contribution to more efficient, less costly and more profitable operations may, in fact, become the needed instrument to rationalize intervention in the manpower/personnel systems required by law.

Movement toward parity occurs and appears easier when the technology, location decision, organizational structures, etc., are simultaneously - as in the case of a new plant - manipulated to achieve employment parity goals.

The recognition that simultaneous manipulation of variables in a system-like fashion is desirable is, in this case, more than a pious statement of the obvious. Indeed, experience has shown that the "Black caucus" of Lordstown, (General Motors) resulted, at least in part, from the introduction of a technology insensitive to the need for employment parity; the AT&T experience has shown that high turnover rates and worker sabotage stemmed, at least in part, from sex imbalances in employment. These problems are not amenable to motivational "massage parlor" approaches. In HDC's work in Company U, the departmental separations between urban affairs, personnel and industrial relations, as well as the corporation's decentralized structure, were found to be related to the excessively low mobility and legally discriminatory practices of one of their plants. Conversely, in Company A, the successful introduction of innovative "reversible seniority" that seemed to account for high mobility in one of its plants was found to be related also to the opening of a new plant structure and to the informed interaction between personnel, affirmative action and industrial relations staffs. On the other hand, contractual seniority, generally viewed as seriously impeding employment parity goals, was found to represent an area of creative adjustments which facilitate minority movement consistent with the protection of individual seniority rights and of "the maturation" intent of the seniority arrangement.

The movement towards parity and equal opportunity requires a simultaneous commitment to all of the following:

- enlargement, through training, of the pool of workers capable to compete for advancement;

- enlargement, through rationally structured mobility systems, of the pool of workers exposed to situations in which they do compete for advancement;

- close coordination of equal employment opportunity enforcement with the design of upgrading programs;

- the joining, by employers, of the values of equity as well as of efficiency.

All of the above are possible. It is in such light that equal employment and upward mobility can be wedded in a future reality of public and private policy.

CHAPTER 7

PUBLIC POLICY:
OBSERVATIONS AND RECOMMENDATIONS

PUBLIC POLICY:
OBSERVATIONS AND RECOMMENDATIONS

In the course of "field" visits, discussions with the Commission's staff and in the process of preparing the Guidelines and the Technical Assistance Manual for VPO's, we have become aware of a number of issues of broad administrative practice and public policy which call for clarification. This section begins with a brief survey of the fate of minorities and women in the market place. It is followed by discussions treating separately - to the extent that these are separable - matters of policy and matters of implementation.

Minorities and Women in the Labor Market

Much is known about the employment conditions of minorities. We are beginning to learn more about the status of women in the labor force. It all amounts to a level of underemployment that our society need not tolerate.

The long season of discontent has yielded a large reservoir of statistics and analyses as to causes and determinants of inferior employment conditions. Minorities are still in an inferior status in the labor market and the continuing, large, unfavorable differentials in employment, unemployment and incomes testify to it.

The most striking indicator of the inferior status of women in the labor market is the persistence of average earnings that, in the best situations, are two-thirds those of men. In most situations, women earn only a little more than half what men do. In terms of employment penetration, the position of women is also very much worse than that of men. Their situation has been improving recently, but not by much. Attempts to interpret earnings and employment gaps have not yielded either simple or complete answers as a very large number of variables impinge on the situation. Marital status, number of children, educational levels, different work roles, the different value orientations and occupational aspirations of women, the special problems of Black women and women as

heads of families all make for complexities that contribute to their current position.*

"In industry, women are more likely than men to work for marginal business characterized by small size, low capital investment, low profit margins, haphazard personnel practices, high employee turnover and low pay."** While the determinants of their inferior employment positions are many, there is no doubt whatsoever that discrimination - in the first and truest meaning of the term - plays a major role.

> The concept of the women as a marginal worker persists, not only because of the kind of work she does, but also because she is often the family's second worker whose earnings are not considered essential to the family's welfare. In the past, employers were often inclined to lay-off married women first in times of personnel cutbacks; even today, the practice of giving preference in hiring to men 'who have families to support' is not unknown. In addition to sex discrimination that is excused on the basis of a concern for the more needy job seekers, employers have cited other reasons for their failure to hire women; they have higher absentee rates and are in and out of the labor force more frequently than men; their productivity rates are lower than men's; it costs more to employ women because of state regulations requiring special rest-room facilities.***

At the heart of this discrimination is the employer judgement that women are, as a group, marginal workers and that, indeed, it is good for business and, ethically, that it ought to be so.

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* For a general survey of data and issues see J. Kreps, Sex in the Market Place: American Women at Work; The Johns Hopkins Press, Baltimore, Maryland; 1971.

** R.W. Smuts; Women and Work in America; Columbia University Press, New York; 1959.

*** J. Kreps, Op.cit.; p. 9

Substantiating evidence of the behavior that underlies these objectives is nowhere available; in spite of data that clearly show that women do not have higher absenteeism, that their average tenure is not lower, that productivity does not vary with sex, employers continue to behave as if it did. Thus, as we have seen in Company B, and by applying parity measures, employer practices in hiring and promoting women are almost always unequal in practice and disparate in effect.

The employment status of any group - be it minority or not - is determined primarily by the economic conditions of the nation. While amenable to the influence of government and changes in the personnel and manpower systems, the employment status of minorities and women can be improved only when the aggregate demand for labor is high. Indeed, most discussions of Black employment emphasize short-run changes and one must note that the 1971 relative employment decline inversely affected the status of minorities.* The upsurge in aggregate employment in the second half of the 1960's, on the other hand, contributed significantly to the noted improvement in minority employment conditions.

As noted above, it is clear that large employers hire more minority workers today (1972) than in 1965 or earlier - the increases here being small but regular, and almost uninterrupted by changes in business comditions. The fact that large employers, as evidenced in the data of our sample companies, are moving toward population parity indicates that this sector of the economy is in fact contributing to the improvement in minority employment.

The positive impact of the nation's equal employment efforts on changes in the minority occupational structure is clear. Precisely how much of the observed occupational improvement is traceable to movement in the internal labor market of companies in the private sector and how much to inter-firm, inter-industry and inter-sector movement, cannot be established with precision. The fact that more than one-fourth of the charges of employment discrimination that the

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* See, for example, Manpower Report of the President; U.S. Department of Labor, March 1972; pp. 38-40.

EEOC received in 1970-71 involved promotion or job upgrading, the fact that the preponderance of conciliation agreements involves questions of job placements, the continual commitment of most employers to "promotion from within" and aggressive recruitment in Black colleges by large companies, all suggest that improvement in the occupational distribution of minorities are significantly affected by a more equitable distribution of internal job assignments.

On the other hand, the occupational distribution of women, as evidenced in the data of our sample companies, has not changed from 1965 to date. Our work suggests that the private sector employer is doing little to affect the concentration of women in office and clerical positions. The underutilization of women in the managerial and professional categories in the large industrial setting is particularly striking when it is compared with their utilization in the same categories in other areas, such as government and the not-for-profit sector.

Policy Issues

Work carried out so far suggests a large number of broad policy issues that call for rationalization and clarification or, at least, the broadcasting of clearer statements of policy, purpose and priority. These were not pursued to the degree that they deserve. They are listed below primarily as questions and will be pursued in the next phase of work of the MMP and by appropriate government agencies.

1. To what extent is current "national policy" simply non-discriminatory and to what degree is it compensatory? Is it possible to achieve the politically needed level of employment parity soon enough without applying a compensatory policy? Clarification of this issue would lead to:

   - better conceived private "goal setting" and, particularly, timetables for upgrading from within the internal labor market at more rapid rates;

   - clearer provision of "technical assistance" by governmental agencies;

- more consistent application of remedial requirements equalizing the burden of employers in implementing equal employment policies. On the other hand, compensatory policies have limits; such limits are established by the directive of applying (a) "the least disruptive remedy," (b) the legal and political requirements of true "color blindness" as expressed in its antipreferential provisions, (c) limitation on the supply side [illegible] point in time, objectively limiting the availability of women and minorities [illegible] qualified for a given job.

2. What is the balance of current national policy to be when the goals of employing the "disadvantaged" are in conflict with the goals of helping minorities, women or other groups? Here, the situation appears clear: the interests of women and minorities are protected by a set of laws while the interests of the disadvantaged (e.g., the veterans) are furthered by a set of specific programs implemented through systems of incentives and moral suasion. In fact - particularly in the perception of employers - the two thrusts of policy are unclear and their application different. This is so for good reason. Indeed, while improvements in the conditions of the disadvantaged can be achieved with an expanding economy "... supported by a governmental commitment to overcome deficits in education, training rehabilitation and social support ... " which makes for an " .. unambiguous social and political mandate ..,"* this is not necessarily so in the case of minorities and women. In the latter case:

> By contrast, upgrading requires interventions wherein the government role is not so obvious or clear-cut. Upgrading has always taken place in private industry and public institutions. Personnel use has always been considered a management prerogative, shared when it is, with

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* See Upgrading, internal memorandum prepared by S. Brandwein, U.S. Department of Labor, Office of Research and Development.

organized labor equally jealous of its rights. The upgrading intervention must be responsive to the differences among industries, companies, localities and managerial levels, as well as to varied circumstances within occupational classes.

In this different, subtle and complex employed part of the manpower service spectrum, it is more than usually necessary to distinguish R&D considerations from program and policy ones... Policy insight must evolve more gradually; it it less amenable to hypothesis testing.*

The complexities described above are heightened when it is noted that a large number of minorities are also "poor" and underemployed.

Because the issue is complex, it needs clarification; in that connection MMP found that:

In-plant experience indicates that, although minorities benefit by both activities aimed at "employing the disadvantaged" and by "affirmative action," the two activities are crucially different in terms of social goals and public and private implementation. Activities aimed at the disadvantaged appear generally ineffective in terms of their own stated goals; all they seem to provide are temporary subsidies to worker and to employer, of limited significance to either. Furthermore, NAB-JOBS types of programs may have the effect of detracting from affirmative action activities as:

- they inflate the measure of minority employment;

- they convey to the employer a feeling of "doing more" than he actually does;

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* Ibid.

- they deflect from efforts aimed at identifying discriminatory barriers;

- they are time consuming.

3. To what extent do current governmental activities "overemphasize" the qualitative betterment of minority workers through training at the expense of activities aimed at removing barriers to employment policy?

4. To what extent should the equal employment opportunities thrust be carried through agencies other than those currently involved in affirmative action activities? How much could the Bureau of Apprenticeship Training of the Department of Labor, the Labor Management Reporting Agency, and other similar agencies contribute to employment parity through a more aggressive stance?

Policy Implementation

Major issues of implementation have been found to exist so far as the meaning of "labor market parity," the overlapping jurisdiction of public agencies, the lack of pools of information about successful affirmative action and the underutilization of manpower training funds.

- Inasmuch as employment parity is viewed primarily as a broad indicator of fairness rather than as a concrete and applicable quantitative measure, both Technical Assistance Officers and even the best-intentioned employers are handicapped in setting forth specific minority utilization goals.

  - The development of specific definitions and criteria of parity with appropriate local and national benchmarks would help in the setting of minority employment goals and in measuring how fast they are being achieved.

- Discussion with and observation of the work of staffs responsible for equal employment activities in major private corporations, shows that the multiplicity of governmental agencies concerned with equal employment activities makes for justified resistance and alienation, is time consuming and generally counterproductive.

  - Providing coordination among governmental agencies dealing with companies with effective affirmative action programs might speed up the movement to employment parity.

- Channels for communicating information about successful labor force adjustments or for effective compliance techniques are almost entirely unavailable. Governmental assistance in this area (least so in the EEOC's Office of Voluntary Programs) is limited and, where available, still mainly geared to formal explication of the legal requirement.

  - The creation of a pool of information about effective adjustment mechanisms would have large pay-offs.

- Governmental training funds (e.g., MDTA, on-the-job) are very rarely used to reduce employer training costs associated with minority labor force adjustments.

  - Extension of the use of existing governmental funds to support specific internal training programs appears appropriate.

In terms of immediate steps to implement the national movement towards equal employment opportunities, MMP has established that employers do not, as a group, now have the required know-how to link placement, training and upward mobility activities to the task. Government staff resources to deal with the removal of barriers to upward mobility of minorities and women are thinly spread through various agencies.

In view of the above, the development of technical resources in this area represents a proper and effective use of

governmental funds. The impact of expenditures to provide employers with the needed technical know-how is in our judgement bound to be very large, particularly when coupled with an expansion of the provision of technical assistance in agencies whose main current function is investigation on compliance.

Indeed, while the "will" not to discriminate is important, knowing how to speed up the movement of minorities and women is crucial.

APPENDIX A

The Measurement of Employment Parity

The Measurement of Employment Parity

So far, "employment parity" has nowhere - neither in law nor in administrative directives - been defined in quantitative terms. It is a term generally used to describe, in more or less loose terms, a situation in which minorities and women are treated fairly; it represents, by implication, the fulfillment of the policy goal of equal employment opportunities which is at the heart of the work of the EEOC, the OFCC and other federal and state agencies. To move evaluation of policy to a more specific and precise level, one needs to compare the extent of current discrimination as against a situation, albeit theoretical, of no discrimination whatsoever. What is required is a measure of current discrimination contraposed to a situation of no discrimination.

Measures of discrimination always imply comparison between utilization of minorities and women by the employer (i.e., within the internal labor market) and their availability in the area from which the employer draws his work force (i.e., the external labor market).

The "Index of Proportional Employment Parity" is one measurement that compares the proportion of total employment of a particular minority as reported in the EEO-1 forms with the comparable proportion of the minority in the labor market area. The index is arrived at by taking the proportion of minorities employed by the company, dividing it by the proportion of minorities in the external labor market and multiplying the result by 100.

$$I = \frac{P_I}{P_E} \times 100$$

(where P_I is the proportion of minorities and women in the internal labor market and P_E is the comparable proportion in the appropriate external labor market)

The resulting coefficient (I) expresses situations of equitable parity to be striven for when I=100 and departures therefrom in terms of underutilization as values of less than 100, e.g., 67 where minorities are only one third of those in the labor market. A value of zero represents a situation in which no minorities/women are present in the internal labor market even though they are available in the external labor market. The coefficients will show both overutilization as

well as underutilization, e.g., an index of 300 would indicate that the particular employer uses thirty times as many minorities and women as their representation in the market.

The Index of Employment Parity can be used to obtain three different measures of minority and female utilization:

(i) the measure of population parity,
(ii) the measure of comparative parity,
(iii) the measure of occupational parity.

Each measure has its own purpose and can be used jointly or separately.

Population parity is the grossest measure which employers generally have little difficulty achieving. There is always some kind of job in which a woman or a minority can be placed even though there may be problems in slotting women and minorities in other jobs that may require high levels of specialization. Comparative parity measures the progress in minority and female utilization of a given company relative to "sister" companies in the same area. This measure is related to availability of minorities/women in the market as it, by implication, shows what other companies have been able to do. Occupational parity represents the most detailed approach and measures achievements across categories.

Procedures

A. The measure of population parity: To obtain a measure of population parity one compares the total proportion of each minority employed by a firm with the proportion of that minority in the appropriate external labor market.

Section D of the EEO-1 Form is the source for the internal labor market data. In assessing a total company, the "consolidated report" should be used. In assessing a division or plant of a multi-establishment employer the "special report" should be used. For each minority take line marked "total" (line 10) in columns (4) through (11) adding appropriate males and females (i.e., add column (4) and (8), (5) and (9), etc.) and calculate each as a proportion of the total of column (1).

The basic source of data for the external labor market are census data of population by race and sex. These are available in different degrees of refinement depending on location. In computing the index of population parity one has to make separate decisions as to what data are appropriate in each case, as no single rule applies to every situation using the following general rules:

1. Fit the location of the plant as closely as possible to the available area; e.g., when a plant is (a) located within the administrative boundaries of a city and (b) it can be established that the employer hires from within the city, use the relevant city data; when the employer is (a) located in a suburb or an unincorporated area and (b) it can be established that the employer hires from all over the metropolitan area, use the SMSA data. When the (b) criteria cannot be established use the best geographic fit.

   The importance of this fit is exemplified in the following table where, respectively, location C is in a suburb, location D within the administrative boundaries of the city and E is in the ubranized area, and all three locations are part of a multi-plant operation.

	Location C	Location D	Location E
% of Minorities Employed	16.0	5.0	3.4
(i) SMSA Data	17.0	2.6	3.6
(ii) Relevant "Urbanized Area"	20.4	6.8	5.2
(iii) Relevant City	34.4	12.0	6.8

Appropriate Measures of Population Parity:	(i) $\frac{16}{17} \times 100 = 94$	(iii) $\frac{5}{12} \times 100 = 42$	(ii) $\frac{3.4}{5.2} \times 100 = 65$

2. Use as far as possible the appropriate year; i.e., compare 1972 EEO-1 with 1972 population. Note: Current population data are rarely available; this causes no trouble as the percent representation of minorities in populations changes very slowly and, when current data are not available, 1970 data should be viewed as appropriate.

3. As far as possible, use "labor force data", i.e., civilian population aged 16 to 65, rather than general population data. When labor force data for a given area are not available, the age breakdown of population can be easily adjusted even though the 16-year cutoff can never be precise.

4. When minority statistics are not available for each minority group, use the aggregate minority statistic and adjust it accordingly to general knowledge about the area's minority population.

B. The measure of comparative parity: It is possible to measure the movement towards parity of a given company against the average of the reporting companies of a given area. This can be done for total minority and female employment and for the occupational distribution of minority and female utilization.

Again, Section D of the EEO-1 Form is the source for the internal labor market data and one proceeds as above for the total for each occupational category.

The source of data for the external labor market in this case is the EEOC's "print out" giving the composite minority and female employment of the reporting employers of the appropriate area. It should be noted that these EEOC data are not a measurement of the total external labor market and that in this process one is comparing the utilization of minorities and women of a company with a statistic in which that company is already included. This measure of comparative parity, therefore, cannot be used when the company that is being evaluated accounts for a large, say 15% or more, proportion of the employment of an area.

C. The measure of occupational parity: This measure shows relative under- and overutilization in each occupation.

It is a crucial tool in the preparation of specific remedial recommendations.

Again, Section D of the EEO-1 Form provides internal labor market data. The source of data for comparison with the external labor market is least available. The basic source are data of "employed persons by occupation, color and sex" obtained by census and the survey of the labor force. Such data are not available generally for particular locations. Analysts will have to use their judgment and imagination in adapting available data proceeding as follows:

1. Check out local sources beginning with State Employment Agencies and searching out special surveys made by "Model Cities Agencies" or other local groups including Chambers of Commerce.

2. The "Detailed Characteristics" Volume of the 1970 Census on a state-wide basis (beginning to be available in 1972) carries the appropriate statistics for the state as a whole; these are further broken down for rural and urban areas. In the absence of local statistics, use state-wide proportions for each occupation adjusting on the basis of information on local conditions.

3. For large multi-plant national companies that transfer their personnel from area to area, and that claim to hire their managers, professionals and technical workers from all over the nation, it is appropriate to use national statistics as reported, e.g., on Table 19 of the Handbook of Labor Statistics 1971. It is not appropriate, unless the company analyzed has more than one operation in each state, to use national data in the other occupational categories except for the purpose of making preliminary and rough year-to-year comparisons.

4. Note that for local, state or national data the proper comparison is the proportion of minorities as a proportion of all employees in that particular occupation. The incidence statistics, i.e., the data that tells, e.g., that of one hundred male Blacks in a given area, 7.8% are in the professional and technical occupations, cannot be used for measuring a given company's occupational parity.

The proportion of workers in a given occupational category, e.g., technicians, that an employer uses reflects the peculiarities of his production or market requirements. An employer that requires many technicians, in comparison to a neighbor that requires relatively few, may be at a disadvantage in reaching parity if the number of minority or female technicians available in the local external labor market is limited. To reduce the lack of comparability the index of proportional occupational parity can be standardized by dividing the eight or nine occupational coefficients by the average occupational distribution for the area.

APPENDIX B

Glossary

GLOSSARY

"Affirmative action plan"

A formal written plan, developed by a private employer, stating how he intends to bring about equal employment opportunities within his work force

"Affirmative action programs" and/or
"equal employment activities"

Specific programs, practices, directives meant to implement the affirmative action plan

"Compensatory activities"

Public or private activities favoring minorities to compensate for past public or private discrimination aimed at reducing current disparate effects

"Composite EEO-1 Form" or
EEO-1 Data

Document showing number of employees, minorities and women by occupational categories of all units of a corporation submitted annually by the employer to the EEOC or Form EEO-1

"Disparate Effect"

A situation of quantitatively observable under or over-utilization of minorities not traceable directly to unequal or discriminatory treatment of minorities by a given employer.

"Voluntary Program Officers" or VPO's

Broadly denoting the EEOC's technical assistance staff attached to the Office of Voluntary Programs or the EEOC's regional office staff.